The Business LINK

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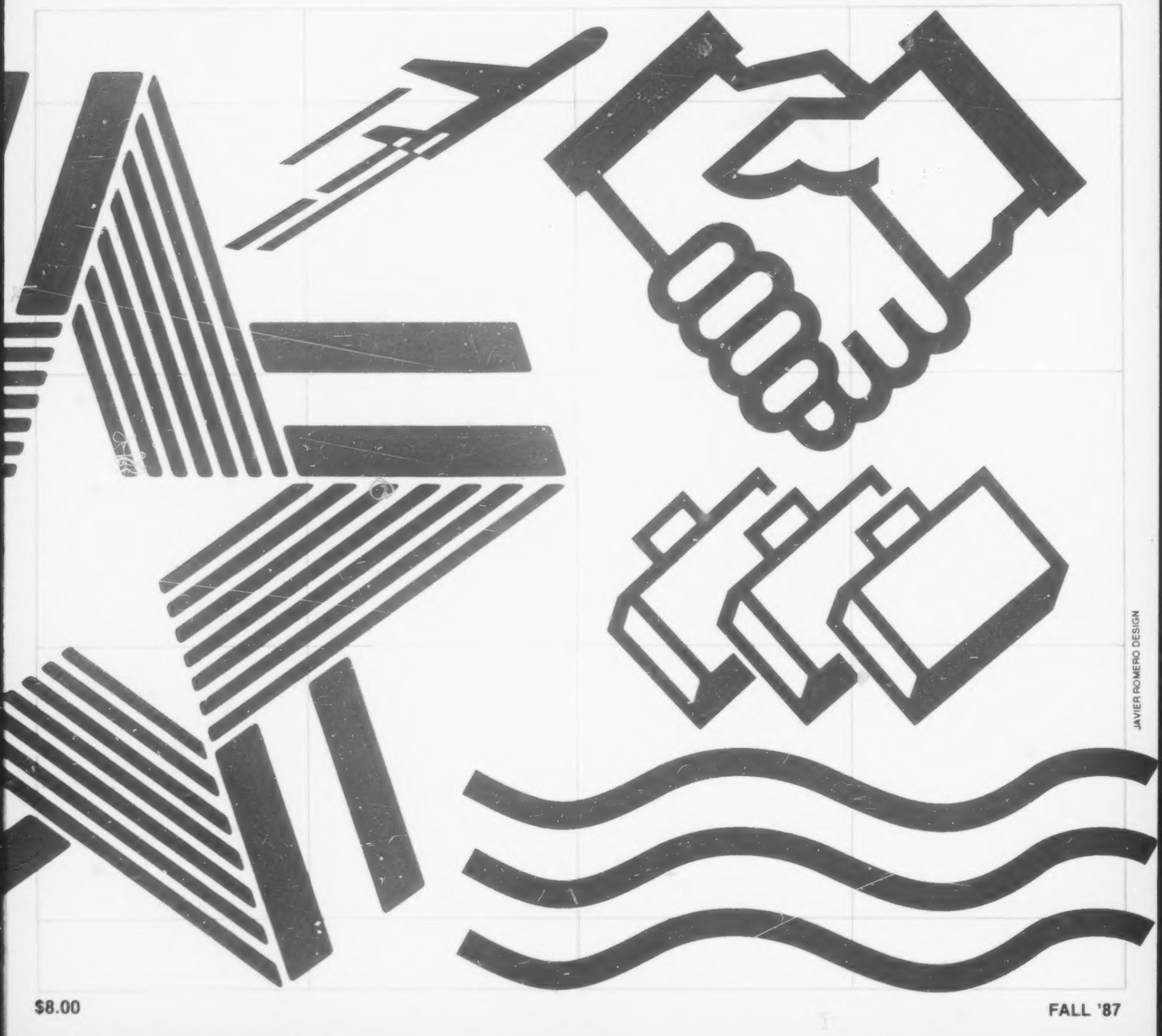
Commerce

Benítez de Lugo New President of the Chamber

Cómo preparar un viaje comercial a USA

A special report on Murcia

La Cámara presenta un programa de cooperación al INFE



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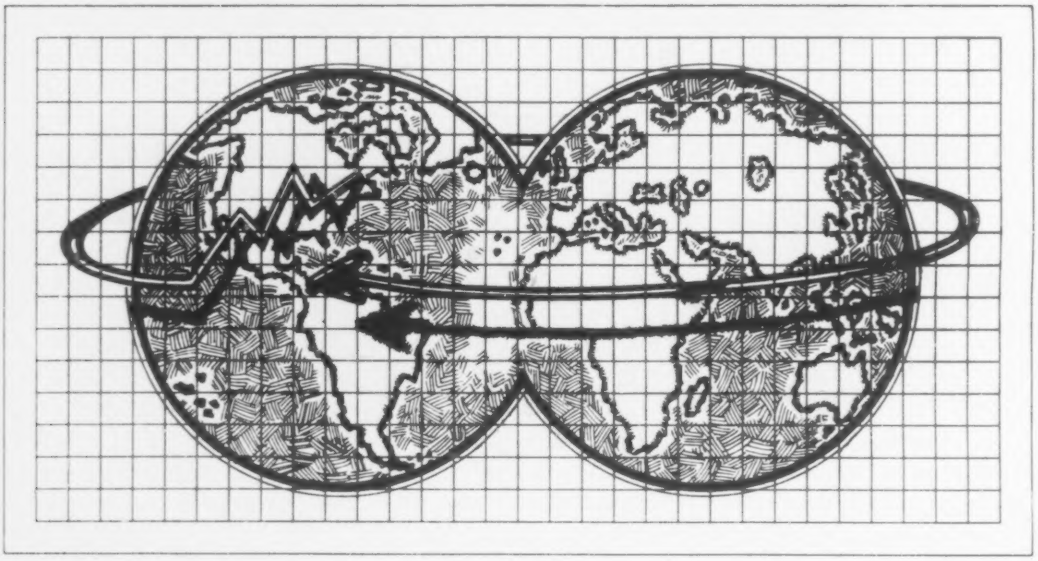

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350 Fifth Avenue, New York, NY 10118
Telephone: (212) 967-2170
Telex: 275815 SPAN UR
Fax: 564-1415
Cable Address: CAMACOES

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ABRE LA VERJA.
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Frutas VERJA
JUNIO-87
1 litro litre liter
100% Zumo de Naranja
VERJA
PURO ZUMO 100%

Benítez de Lugo Elected President of the Chamber

LUIS BENITEZ DE LUGO, President

Luis Benítez de Lugo, General Representative, Banco de Santander, was elected President of the Chamber by the Board in June, following the election of a new panel of directors at the Annual General Luncheon Meeting. Members of the Executive Committee, in addition to the President, are **Fernando Aleu**, President of Compar, Inc., First Vice President; **Ramón de Sarriera** Executive Vice President of Banco de Bilbao, Second Vice President; **Hugo Ruiz**, Executive Vice President of Banco Atlantico, Treasurer; and **Michael H. Greenberg**, a partner in the law firm of Graubard Moskovitz McGoldrick Dannett Horowitz & Mollen, Corporation Secretary.

FERNANDO ALEU
First Vice President

RAMON DE SARRIERA
Second Vice President

New Directors Elected

In addition to Mr. Benítez de Lugo and Mr. Sarriera, the following new Directors were elected:

Andrew D'Alessandro, S.A.I.M.A.
José Fernández, Baker & McKenzie
Pedro Ferrer, Freixenet U.S.A. Inc.
Bonnie Hoskins, Manufacturers Hanover Trust Company
Ricardo Jove, Amtraco, L.P.
Victor Palazzo, Irving Trust Company
Stanley Silverstain, Nina Footwear

HUGO RUIZ
Treas

MICHAEL H. GREENBERG
Corporate Secretary

La hora del relevo

El pasado mes de junio acababa el mandato como presidente de la Cámara, cerrando tras de si un período de tres años en el que han sido ilusión y esfuerzo los factores predominantes en su gestión.

Joseph Sanchez demostró sobradamente su ilusión y su fe haciendose cargo de una institución que atravesaba momentos difíciles: carente de personal, exenta de infraestructura, limitada de recursos.

Poco a poco, el trabajo intenso hizo que la Camara levantara el vuelo; se contrato a un joven equipo ejecutivo con energía e ideas. Se encontraron unas oficinas adecuadas a los proyectos que se querían desarrollar. La revista cambió de nombre y de rumbo.

Las consecuencias de este esfuerzo inicial no se hicieron esperar: aumentaron los socios, se desarrollaron nuevas actividades y servicios con gran eficacia. Se multiplicaran las visitas y llamadas de empresas de uno y otro lado del Atlántico. Se encontraron nuevas fuentes de financiación intentando rentabilizar al máximo los activos de la institución.

Proyectos e ideas fueron tomando forma. Muchos salieron adelante, como el "Programa Promotores" a traves del que se ha vertebrado un esquema que hace posible la presencia de empresas españolas en Norteamerica a la vez que brinda una oportunidad profesional a jovenes ejecutivos. Otros proyectos quedaron atras por diversas causas, entre las que no están la falta de interés ni de tenacidad.

En este hacer camino al andar, el tiempo—que siempre juega malas pasadas—sorprendió a Joseph Sanchez con un amplio horizonte por delante. En perspectiva, su presidencia quedara marcada como un punto de inflexión capital en la trayectoria de esta Cámara de Comercio. Hoy, sin necesidad de esperar, los que hemos colaborado con él deseamos desde estas líneas expresarle nuestra gratitud.

Al tomar el testigo como presidente, Luis Benítez de Lugo tiene ante sí la no menos dificil tarea de consolidar lo logrado. Queremos contar en el empeño con el apoyo de nuestros socios y amigos.

La imagen de ambos presidentes es un buen presagio de la continuidad en el logro de los objetivos de nuestra institución.

CHAMBER ACTIVITIES

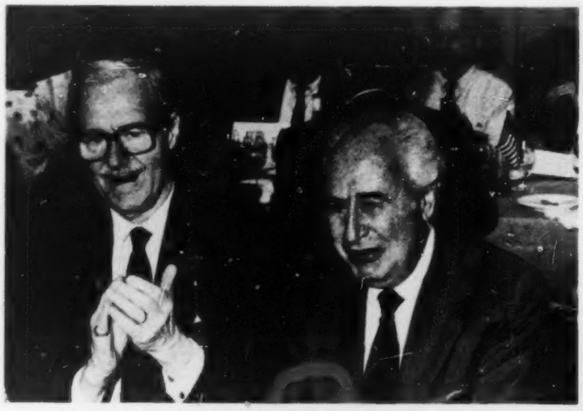
Scenes at the Annual General Luncheon Meeting

The Chamber's Annual General Luncheon Meeting, held this year on June 23rd, is an opportunity for the Chamber officers to report on the progress of the past year, as well as to discuss the future. It is also the occasion for the election of a new panel of directors.

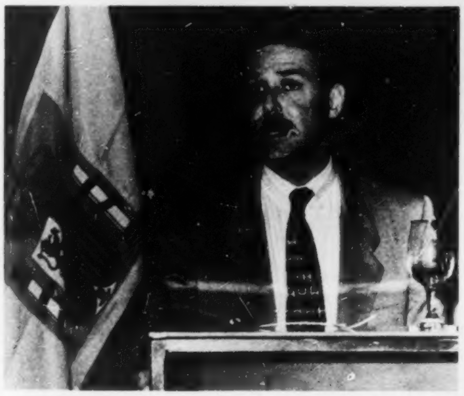
ABOVE, MIGUEL SEBASTIA PRESENTS HIS REPORT.

LEFT: OUTGOING PRESIDENT JOSEPH SANCHEZ

BELOW: GASTON BUTLER AND ALFONSO ESCALERA

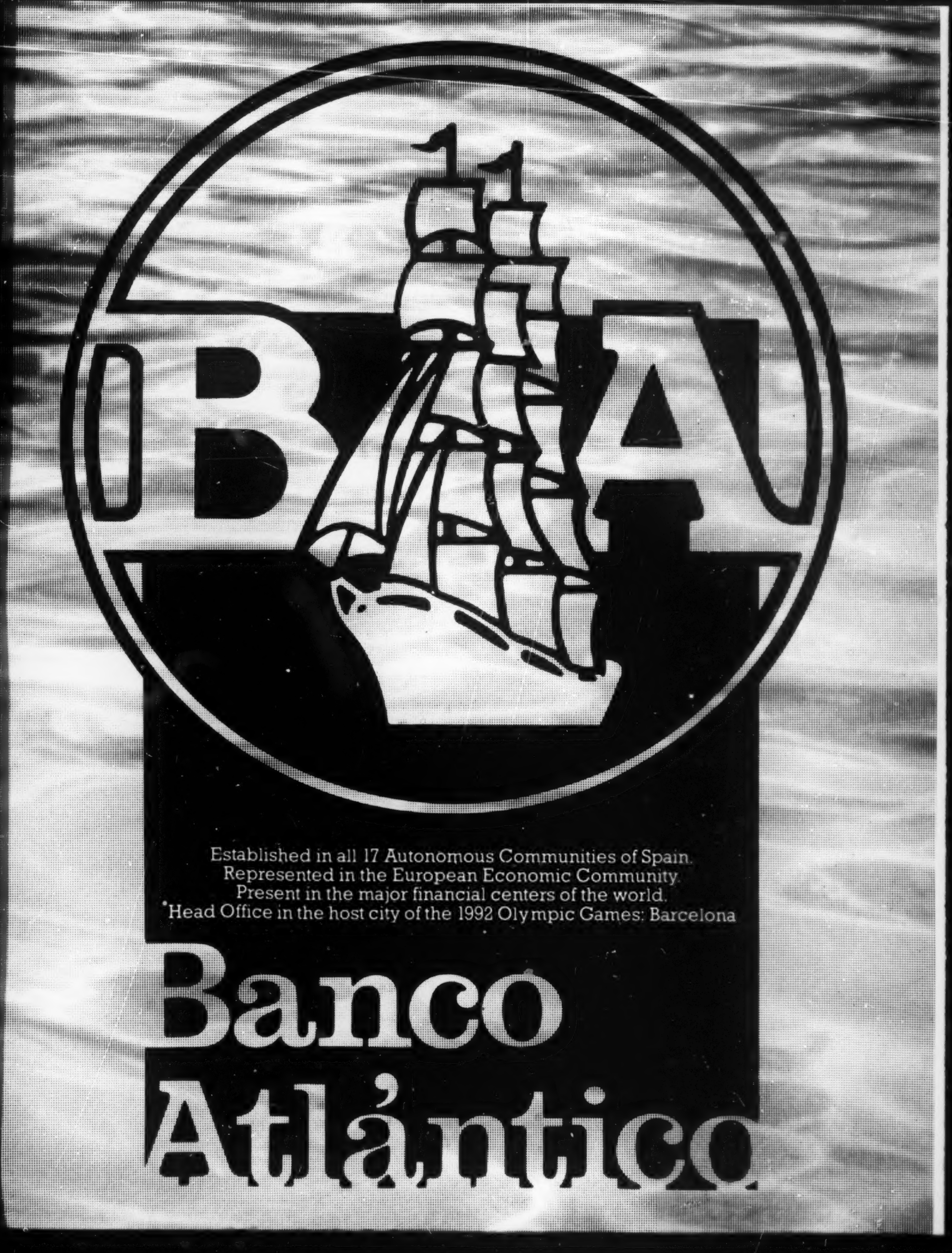


ABOVE: TWO FORMER CHAMBER PRESIDENTS: MAURICE CUSACK AND RICARDO JOVE.



ABOVE, OUTGOING TREASURER MICHAEL BENNIS REPORTS ON THE CHAMBER'S FINANCES.

RIGHT: VICENTE GARCIA-DELGADO AND CARLOS LLOPART.



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Director and Editor-in-Chief
ANTONIO CAMUÑAS

Assistant Editor
JUAN PRIETO CASTRO

Layout and Production Director
DAVID THOMAS

Printing Services
GALVANIC PRINTING & PLATE CO. INC.

Design
JAVIER ROMERO STUDIO

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Real Estate
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Photographers

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MARTA SENTIS

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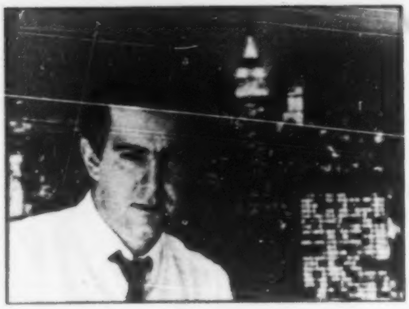
FROM THE EDITOR



In this issue...

Many things have happened in the Chamber since our last appearance before you last summer. Most of them will be reflected throughout our pages.

Among the multiple activities of the Chamber these last months, the recent election of Luis Benitez de Lugo as president is especially relevant since we believe his election will help the Chamber to face the challenges that lie ahead. His election was preceded by the traditional get-together of our Dinner-Dance at the Pierre, which was considered a great success. This year's anniversary celebration paid homage to both the Spanish tourism industry and Spain's leading entrepreneur, José Ferrer, president of Freixenet.

Our pages also reflect the welcome visits of personalities such as Governor Mariano Rubio of the Bank of Spain and Apolonio Ruiz Ligero, president of I.N.F.E.

Moreover, we should also take into account the special report on Murcia which has been prepared by the Chamber, coinciding with the visit to the United States of representatives from this Autonomous Region. I hope you will enjoy this issue.

After Wall Street's "Black Monday" collapse, the world stands at attention.

The extension of presidential powers for negotiating multilateral and bilateral trade agreements granted by the House and Senate conference on the omnibus trade bill represents the first substantive progress in the trade bill dispute. It was accomplished in an atmosphere of remarkable cooperation, and we regard this as an extremely positive signal.

Probably we will need some more signals of this kind in the weeks to come.

ANTONIO CAMUÑAS, Editor

CHAMBER ACTIVITIES

ABOVE, THE FAMED FLAMENCO ARTIST MANOLETE AND HIS COMPANY

GUEST OF HONOR JOSE FERRER DISPLAYS A MEMENTO OF THE OCCASION PRESENTED TO HIM BY CHAMBER PRESIDENT JOSEPH SANCHEZ.

Gala Dinner Dance Salutes Spain's Tourism Industry

The Chamber's Dinner-Dance celebrating its 28th anniversary had as its theme "Spain. Everything under the sun" and saluted Spain's tourism industry, which last year had very significant achievements (in 1986, for the first time, more than one million Americans visited Spain).

The occasion also honored a relevant figure of the Spanish business community, José Ferrer, Chairman of Freixenet, the leading sparkling wine trademark in the United States.

Most of those attending agreed that this 28th edition will be one of our most remembered dinner dances.

SPAIN'S NEWLY APPOINTED AMBASSADOR TO THE U.S., JULIAN SANTAMARIA, WITH MRS. MICHAEL BENNIS

RIGHT, MRS. JOSEPH SANCHEZ AND FRANCISCO GIRON

BELOW, MIGUEL SEBASTIA WITH MR. AND MRS. ANTONIO ESCAMEZ

RICARDO JOVE

ABOVE, AMBASSADORS JULIAN SANTAMARIA AND MANUEL SASSOT.

MIGUEL SEBASTIA (CENTER) WITH THE BECARIOS OF THE CHAMBER: JOSE HERNANZ, MANUEL MOSTEIRO, JAVIER SERRADO, AND JOSE MARQUINA

ABOVE, INMACULADA DE HABSBURGO.

ABOVE (CENTER) DEPUTY CONSUL RAMON GANDARIAS

AT RIGHT (LEFT TO RIGHT) FRED CHASE, HUGO RUIZ, ALFONSO ESCALERA, ANTONIO CAMUÑAS

BELOW, JOSE FERRER AND JOAQUIN DE LA INFIESTA

LEFT, MR. AND MRS. ANDRE RICARD AND MR. AND MRS. MAURICE CUSACK

ABOVE: MRS. JOAQUIN DE LA INFIESTA AND MICHAEL BENNIS

Viaje del Presidente a España

Benítez de Lugo informa de las actividades y planes de la Cámara

LUIS BENITEZ DE LUGO

El Presidente de la Cámara se ha desplazado a Madrid al poco tiempo de su elección para mantener contactos de alto nivel con diversas personalidades. El Presidente, que estuvo acompañado en sus entrevistas por el Subdirector de la Cámara, Antonio Camuñas, se entrevistó entre otras personas con Guillermo de la Dehesa, Secretario de Estado de Economía, el Embajador americano Reginald Bartholomew y el Consejero Comercial Paul Lessig, y con Apolonio Ruiz Ligero, Presidente del INFE, así como D. Mariano Muelas.

GUILLERMO DE LA DEHESA
Secretario de Estado de Economia

REGINALD BARTHOLOMEW
Embajador de USA

APOLONIO RUIZ LIGERO
Presidente del INFE

La Cámara en el Desfile de la Hispanidad

El presidente de la Cámara, Luis Benítez de Lugo, estuvo presente en el Desfile de la Hispanidad, que cada año celebra en la Quinta Avenida de Nueva York. Benítez de Lugo abrió el desfile junto con su Presidente de Honor, el Embajador Sassot, y soportó las inclemencias del tiempo que empañaron la vistosidad de la celebración.

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Visita a Nueva York de Apolonio R. Ligero

La Cámara presenta un ambicioso programa de colaboración con la INFE

Apolonio R. Ligero, presidente del INFE, visitó la Cámara que le ofreció un almuerzo previo a la celebración de su consejo. El presidente del INFE tuvo asi ocasión de cambiar impresiones con las directores de la Cámara y de pulsar las inquietudes y planes de nuestra institución. Al almuerzo asistieron asimismo el Consejero de Comercio de la Generalitat, Joquín Molins, y el Secretario General del Departamento, Senen Florensa.

El dia anterior se celebró un almuerzo de trabajo con el Sr. Ruiz Ligero, al que se le presentaron varios programas de colaboración entre el INFE y la Cámara que Miguel Sebastiá ha calificado de "decisivos para la futura consolidación de la Cámara". Entre estos planes destaca uno de cooperación con *The Business Link* que supondra de llevarse adelante un significativo avance para nuestra revista, cuyo crecimiento este último año precisa ser acompañado de una mayor infraestructura.

La dirección de la Cámara se mostró optimista ante la acolida del presidente del INFE, y espera que ante el año 87 se materialicen las iniciativas propuestas.

ABOVE, L TO R: SENEN FLORENSA, MIGUEL SEBASTIA, APOLONIO R. LIGERO, LUIS BENITEZ DE LUGO, JOAQUIN MOLINS, AND ANTONIO CAMUÑAS

LEFT: MR. BENITEZ DE LUGO AND MR. RUIZ LIGERO

España participa en la "Odisea Mediterránea" de Bloomingdale's

La Semana de España abre la muestra

La "Odisea Mediterránea" de Bloomingdale's se inicio con la Semana de España, en la que tuvo una destacada participación la Generalitat de Cataluña, cuyo Director General de Comercio Artur Mas, se trascado a Nueva York para la apertura de la muestra, que ha resultado un éxito.

En el foto a derecha Artur Mas (centro) esta acompañado por Antonio Camuñas, Miguel Sebastia y dos ejecutivas de Bloomingdale's.

Programa de Promotores de Empresas Españolas

Esta programa es considerado como uno de los mayores éxitos de la Cámara y está siendo estudiado por varios cámaras extranjeras. Es "un proyecto del que esperamos grandes resultados prácticos," dice Miguel Sebastiá.

La propia dinamica de la sociedad y el marco de gran competividad económica que se respira a todos los niveles—administración, instituciones y empresas—hace que en cada actividad o proyecto se adopte un planteamiento pragmático que ofrezca resultados concretos y en plazos de tiempo cortos.

Todos los programas de becarios de comercio exterior se han movido basicamente en base a dos parametros: el enriquecimiento técnico y práctico del becario y el logro de información de interés para las compañias que quieran iniciar o ampliar sus negocios con el país en cuestión.

EL PROGRAMA

El programa de **Promotores** de empresas españolas en Norteamerica nació en la Cámara de Comercio España-EE.UU. tras analizar la experiencia de los becarios y las siguientes consideraciones:

Idiosincrasia del país. Estados Unidos es un pais donde la mayoria de los mercados son muy transparentes y las reglas claras. Cada sector tiene sus peculiaridades pero al final se rige por elementos puramente práticos: catálogos, folletos, muestras, precios, plazos de entrega, etc. Privan por tanto los aspectos prácticos concretos de cada negociación y estos no suelen verse tergiversados por comisiones, precios o licencias ajenas a la operativa propia del comercio.

Promotores: Si bien el concepto tradicional permite a los becarios el entrar en contacto con el pais en el que trabaja, lo hace basicamente recogiendo información genérica del mercado complementada por algunas entrevistas a profesionales del sector. El producto final es un estudio de mercado que, a traves de las instituciones españolas financiadoras de la beca, se pone a disposición de las empresas que quieran consultarlo. Con ello no se sabe en que medida es utilizado y con que trascendencia, como instrumento de toma de decisiones, aunque en general los exportadores confiesan utilizar poco los estudios y hacerlo para coger las impresiones generales del mercado.

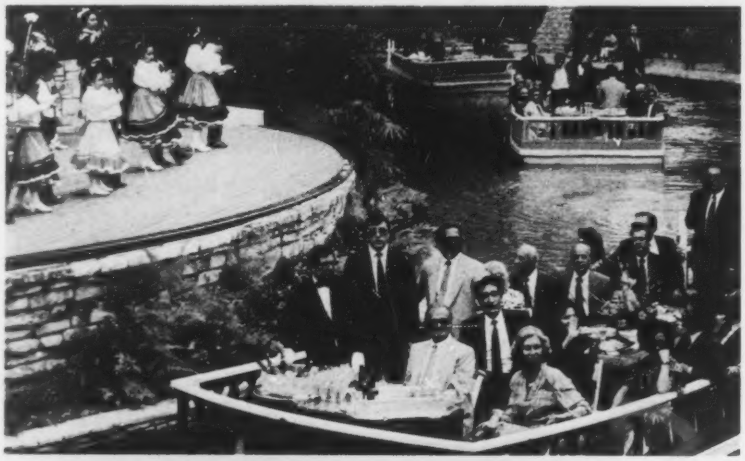
El objetivo del **Promotor** va más alla al tener que realizar buena parte de su trabajo visitando clientes y asistiendo a ferias. Tiene que negociar con las compañias americanas, colaborar en terminos reales con las empresas españolas y cubrir unos objetivos que le son marcados. El éxito final esta en función de los resultados concretos obtenidos y esa experiencia no es solo enriquecidora sino que supone un importante estimulo para el promotor que comprueba los resultados concretos de su gestión.

Consolidación de las exportaciones. La actual crisis en las exportaciones españolas ha puesto en evidencia la falta de consolidación de nuestras exportaciones. El problema va más alla de la pura pariedad dolar/peseta que afecta también a la mayoría de paises competidores nuestros. Es necesario establecerse en un pais para aprovechar las oportunidades que ofrece y consolidar una cuota de mercado por pequeña que sea. En este campo el programa pretende traer al mercado americano compañias españolas con potencial pero que no estan dispuestas a realizar el gran desembolso necesario para tener un representante propio en EE.UU. Con el apoyo de la Cámara de Comercio provincial, una entidad bancaria y el Gobierno Autonomico correspondiente se quiere conseguir que cuatro empresas compartan un representante en EE.UU. por aproximadamente un 10% (10.000 a 15.000 dólares) del coste de establecerse en solitario. El objetivo final no es solo vender en este mercado, sino adquirir experiencia a lo largo de dos años de apadrinamiento al término de los cuales la compañia debe conocer la viabilidad y posibilidades de sus productos e instalarse definitivamente por su cuenta.

CANDIDATAS IDEALES PARA EL PROYECTO

Este programa cuenta actualmente con la participación de empresas Valencianas, Gallegas y Catalanas con excelentes resultados hasta la fecha y se esta trabajando con Madrid e iniciando conversaciones con Bilbao, Sevilla y Murcia. Cualquier empresa con volumen de ventas próximo superior a los mil millones de pesetas, potencial de expansión, y experiencia exportadora es candidata ideal para el proyecto.

A pesar de los éxitos ya obtenidos el proyecto se halla en pleno crecimiento y por tanto necesita ser afianzado con medios técnicos y humanos. Tanto la Oficina Comercial de España en Nueva York como el INFE han acogido con interés el proyecto (por el que se han interesado cámaras de comercio de varios países) y han mostrado su mejor disposición en consolidar un proyecto del que esperamos grandes resultados prácticos.



Spain's King and Queen Visit Texas, California and New Mexico

King Juan Carlos I and Queen Sofia visited three different states during a recent ten-day trip to the United States. As these photographs show, they saw the Alamo and Disneyland, and met Clint Eastwood (among hundreds of others).

IBERIA'S NEW SPACESHIP

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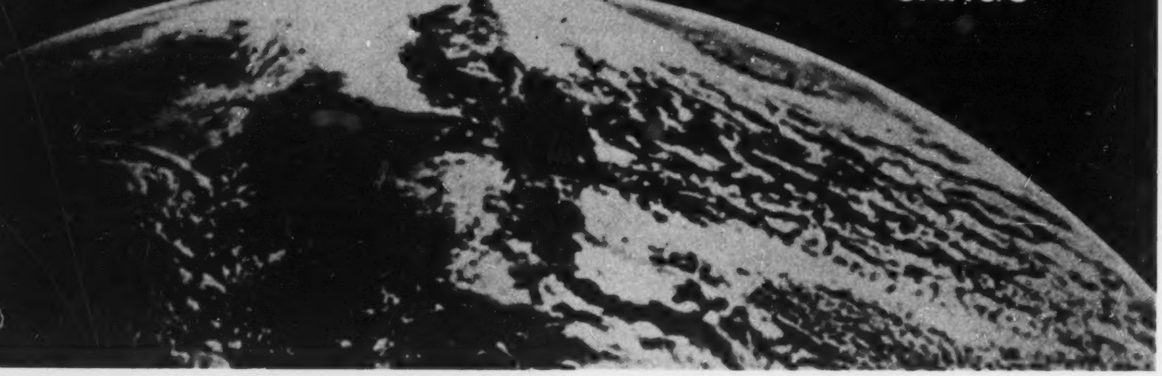

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CHAMBER ACTIVITIES

MARIANO RUBIO VISITS CHAMBER

Current Trends and Prospects

"The Spanish economy can and must grow over the next few years at a rate higher than the European average," Mariano Rubio, Governor of the Bank of Spain, told a Chamber luncheon in his honor held at the St. Regis-Sheraton on September 23rd.

Since I had to decline the kind invitation of the Spain-U.S. Chamber of Commerce last year, I have been looking forward to this opportunity to share with you today, at this luncheon, some of my views on the current state of the Spanish economy.

As you may know, between 1974 and 1984 the Spanish economy underwent a period of slow growth, sharp increases in the rate of unemployment, serious difficulties in companies and intense monetary imbalances. The reasons behind these unfavorable developments were to be found in the two successive rises in oil prices, which led to a world economic recession, and on their impact on an economy with a weak energy base, a largely inefficient industry, which had developed hurriedly in the 1960s and in the first part of the 70s, and a system of industrial relations spoiled by some of the features of the authoritarian Franco regime. To this must be added Spain's transition to democracy, the great political success of which did not prevent important economic decisions from being delayed for several years.

A necessary adjustment policy was finally set up in the second half of 1977. It was gradually implemented over the following years, and more vigorously since the end of 1982 after the socialist party's victory in that year's general elections. The Spanish economy underwent a tough period of adjustment which was reflected in the scrapping of major parts of installed capital, the closure of companies, and higher unemployment.

This meant, however, a cleansing of the productive structure, a decline in real unit production costs and a brake on the deterioration of company profits which had taken place in previous years. Meanwhile the climate of labor relations improved and the country quickly adapted itself to the ways of an industrial economy in a democratic society.

These policies proved successful and, buoyed by an improved world economic climate, the Spanish economy began to display signs of a gradual strengthening after 1983: its growth rate was around 2 percent per year, stimulated to begin with by exports, and then, after 1985, by the recovery in internal demand. At the beginning of 1986, the drop in oil prices and the resulting substantial improvement in the real terms of trade spurred this recovery, with its positive impact on available income, internal demand and productive activity, plus the appearance of a surplus in the current account and the reduction of the rate of inflation and budget deficit.

Finally, despite the vigorous recovery in demand, Spain's inflation rate has continued to decline, and the increase in consumer prices this year will be around 5 percent as against 8.5 percent in 1986.

Please do not interpret my previous remarks as a rosy view of an economy which has no problems. Such an economy has never existed before, and of course does not exist in the world today. Our economy faces the task of finding a lasting path of expansion which will allow us, at the same time, to continue to reduce the rate of inflation and maintain a rate of job creation which gradually reduces our much-too-high unemployment levels. And these objectives must be achieved while we meet the challenges of our membership in the EEC and continue modernizing our economy.

I do not want to go deeply into the situation and prospects of the world economy. Yet it is obvious that an economy the size of Spain's cannot find a path of sustained growth independently of what is happening in the world context. There, unfortunately, prospects are clouded by unpromising elements of weakness and uncertainty which, in the last resort, have sprung from the inability of the three main countries, those with the most decisive influence over the international situation, to follow coherent economic policies.

As a result of the factors I have mentioned, the growth of the Spanish economy began to pick up during 1986 and GDP grew by almost 3.5 percent in real terms. This rate of growth has even sharpened in the months so far of 1987. It is estimated that real GDP growth this year will be more than 4 percent, a rate which compares very favorably with that of other western countries.

According to the same estimates, internal demand will grow almost at the same rate in 1987 as last year, that is 6 percent, with significant increases in consumption and, above all, investment. The basic reason behind real growth of private consumption in 1987 is the recovery of employment and declining inflation, which is compensating the fall in the rate of wage increases. But the most important event is, without a shadow of doubt, the strong increase, for the second year running, in gross fixed capital formation. Not only do we expect investment in construction in 1987 to maintain the dynamic growth of last year, but a real increase in investment in capital goods of some 22 percent is also anticipated, as against 17 percent in 1986.

> "More than 300,000 new jobs were created in 1986, and the same number was achieved in the first half of this year alone. Our economy is thus generating an increase in employment at a rate of almost 2.5 percent per year.

The opportunities and challenges which are presented by our membership in the EEC, better profit levels after a slowdown in labor and financial cost, as well as greater real income from improved terms of trade are all factors which are behind the surge in the rate of investment. Maintaining this momentum, although at a more moderate pace, is the greatest challenge now facing the Spanish economy.

A real increase in internal demand, like the one just commented on, must bring in its wake a significant deterioration in the trade account, particularly when it coincides with the opening up of the economy and the dismantling of protective barriers following membership in the EEC. The high rates of real growth in imports for the second year in a row, especially in consumer and capital goods, were to some extent foreseeable. As regards exports, the strengthening of the peseta against the dollar and the weakening in international markets hit overseas sales during 1986; but this year, exports to the EEC are doing better since the Spanish economy is reaping the benefits of Community membership and a lowering of production costs and prices.

As regards trade beteen the United States and Spain, its progress over the past few years has been conditioned by the different development of the two countries' internal demands and by the exchange rate performance. In 1984 Spanish exports grew 75 percent in peseta terms (55 percent in dollar terms) and since then growth has slowed down to minus 14 percent in peseta terms, which was registered last year. In the first seven months of 1987, the growth rate in peseta terms was again negative, around 3 percent. Only some foodstuffs, among the most important export items, registered favorable growth, while nondurable consumer goods are, because of their special importance in this market, the items most affected.

Regarding Spanish imports from the United States, the rate of growth has gathered pace in the last few years, from a negative rate of 6.5 percent in dollar terms in 1984 to a positive rate of 8 percent in the first seven months of this year. Bear in mind, however, that the rate is nearer 13 percent if energy products are omitted, and for manufactured products, especially consumer and capital goods, it is even higher. Only raw materials for agriculture, hit by problems which we all know about, are having a rough time.

Despite the worsening of the trade account, the external equilibrium of the Spanish economy has not been negatively affected, as it has coincided with the improvement in real terms of trade in 1986, already mentioned, and a better than average performance by the services account, especially tourism. This year the current account surplus is expected to be more than $1.5 billion, as against $4.1 billion in 1986. Given the current trends in the international economy, with markets stagnating and higher prices for raw materials and manufactured products, maintaining the recovery of our exports and increasing them, as far as it might be possible, is vital in order to consolidate an economic expansion which, as I have mentioned, is bringing in its wake sharp rises in merchandise imports.

In any event, a bottleneck, or even difficulties, arising in the external sector must be excluded in the foreseeable future. Available data point toward a manageable current account deficit which can be comfortably financed by foreign borrowing and capital imports. In that scenario, large inflows of direct and portfolio investment—around $8 billion in net terms in 1987—assure a proper financing. Thus the past binding constraints by the external sector have been lifted for a reasonable period.

EMPLOYMENT AND JOB CREATION

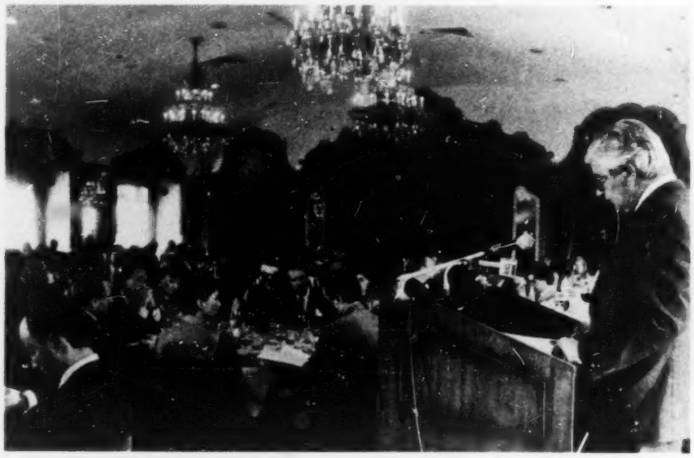
The expansionary phase which the Spanish economy is undergoing has meant a significant increase in job creation. This, however—which is good news—has not triggered any significant drop in the unemployment rate, since the better employment prospects have fueled a very strong rise in the number of people seeking jobs. In any event, information on job creation—the relevant variable for measuring current economic developments—speaks for itself: more than 300,000 new jobs were created in 1986, and the same number was achieved in the first half of this year alone. Our economy is thus generating an increase in employment at a rate of almost 2.5 percent per year.

But even accepting these conditions, I would dare to state that the Spanish economy can and must grow over the next few years at a rate higher than the European average. Such a statement is made possible by the existence of a growth potential which, judging by recent experience, foreign investors are the first to believe in. And it is a necessary statement, for it is the condition for quickly modernizing our economy and also rapidly reducing unemployment.

The strong expansion which has taken place in the last two years has produced, as we have seen, a very sharp rise in job creation. However, the unemployment rate is descending very slowly because, as was to be expected, the improvement in demand and in the conditions of the labor market have triggered a reaction on the supply side: those who before were discouraged have returned to the market in search of employment, and there has been an important rise in the participation of women because of the better job opportunities. Thus we are witnessing a swelling of the active population which underscores the need to maintain a strong expansion of job offers.

Now let me point out that the rise in the demand for goods is not the only factor determining the rate of job creation. The behavior of real hourly labor-cost and the degree of labor flexibility are also significant factors, as our own recent experience with more flexible formulas for employing people shows.

Moreover, it might be the case that the adjustment of the Spanish economy started in the 1970s from a situa-



PEDRO DE TOLEDO, CHAIRMAN OF BANCO DE VIZCAYA, TALKS WITH GOVERNOR RUBIO.

Scenes at the Luncheon Honoring Mariano Rubio

CHAMBER DEPUTY DIRECTOR ANTONIO CAMUÑAS AND TREASURER HUGO RUIZ, GOVERNOR RUBIO, AND CHAMBER PRESIDENT LUIS BENITEZ DE LUGO AND EXECUTIVE DIRECTOR MIGUEL SEBASTIA.

FORMER CHAMBER PRESIDENT FREDERICK TETZEL INTRODUCES AND WELCOMES MR. RUBIO.

Governor Rubio Receives a Copy of the Chamber Directory

During a meeting with the Executive Committee and Sustaining Members, Mr. Benitez de Lugo presented a copy of the Chamber's Trade and Membership Directory to Governor Rubio.

tion of "overmanning," and that the sharp drop in employment since then has produced the opposite situation. Thus one would expect strong reactions on the employment side in the face of production increases, at least for some time.

Now, even taking into account these two observations, which point out important aspects of the employment problem, there is no doubt that a persistent increase in employment will depend, to a large degree, on the rate of increase of demand and Spain's production of goods and services.

The difficulty lies, therefore, in moving from the current phase of intense recovery to an era of rapid and sustained growth, which is compatible with reducing the rate of inflation and also with a current account deficit which can comfortably be financed. Macroeconomic policy must set, as a fundamental and immediate aim, that this move from recovery to sustained expansion takes place smoothly.

The Government remains committed to the difficult task of reducing the budget deficit as a percentage of GDP. Last year's 5.7 percent will be reduced to below 5 percent in 1987. Next year the Government aims to cut it to 3.5 percent. This is an issue of great importance, although, of course, a given percentage can be achieved with very different rates of growth of public expenditure and revenue. The Government's intention is to put a brake on the high growth rate of public expenditure, while trying to achieve a change in its structure which would favor public investment and expenditure in the areas of Justice, Education and Health. It seems clear that the deficit, expressed in GDP terms, must be reduced, while the very rapid growth in tax revenues registered over the last few years slows down. This requires a decrease in the growth rate of expenditure.

The persistence of the budget deficit raises, moreover, serious financing problems. 1987 has been a difficult year for Spanish monetary policy. Apart from the problems which it shares with many other countries as regards the significance of monetary objectives in an environment of financial innovations, monetary policy has also experienced problems stemming from financing the budget deficit and from the effort to prevent an excessive appreciation of the peseta, the temporary strength of which could have had a damaging impact on the Spanish economy. The high rates of interest from the beginning of Spring merely reflect these difficulties, but also prove the authorities' determination not to let up in the anti-inflation drive.

To finalize, let me say in short that the Spanish economy appears today to be in fashion among international investors, and for good reasons. After a very tough period of adjustment—which has still to be completed in some aspects—our economy has recovered margins which enable us safely to expect—with a reasonable economy policy like the present one, and no catastrophes on the external front—a phase of growth with internal and external stability. We can also expect some productive changes which will enable Spain to adapt without tensions—and in some aspects ahead of the timetable—to the EEC. □

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Leasing in Spain

With a 500 percent growth of capital expenditure financed as a percentage of GNP from 1981 to 1986, financial leasing is developing spectacularly and has a bright future.

By Lorenzo Zavala

Financial leasing has a short history in Spain, but it has been developing spectacularly in the past five years compared with other financing sources. Its usefulness in providing funds on a long-term basis, adjusting the tax depreciation of fixed assets to technical obsolescence, and advantageous tax treatment are some of the key reasons for this development.

In Spain financial leasing is normally a "full payout lease," whereby the lessee pays out nearly 100 percent of the equipment cost during the lease rentals and then has the right to purchase the asset at a small residual amount.

This type of financing started in Spain in the mid-1970's, coinciding with the setting up of various companies with foreign origin. Today there are about seventy leasing companies operating in the market. According to figures published by the Spanish leasing association, the evolution of leasing activity can be summarized as follows:

Year	Capital Expenditure Financed (Ptas. MM)	Percentage of GNP
1981	32.776	0.19
1982	52.742	0.26
1983	76.420	0.33
1984	127.252	0.46
1985	207.493	0.69
1986	316.255	nearly 1.0

Compared with the main countries of the EEC, the Spanish leasing sector is about half size and remains far from U.S. levels, as demonstrated by the fact that in Spain only 10% of total purchases of equipment were financed with leasing vs. 50% in the United States. Indeed, these operations are little known by a large proportion of companies, and businessmen are still reluctant to undertake an investment program in which a third party has the ownership of their assets.

Let's see what are the legal and accounting rules on leasing in Spain. The main legal provisions dealing with financial leasing contracts are contained in Royal Decree-Law 15, published in 1977, and Royal Decree 1669, published in 1980. According to these provisions, leasing operations are those consisting of the rental of equipment, operating capital, vehicles and real estate acquired just for that purpose by the lessor company. Thus the lessor must be limited exclusively to financial leasing operations and registered as such at the Spanish Ministry of Economy. On the other hand, a lessee might be any type of enterprise or individual merchant, the only requirement being that the leased asset is used in their business activity.

The accounting treatment for financial leases in Spain is not in accordance with generally accepted accounting principles in the U.S. (FASB-13). With regard to the lessee, all rental payments made to the lessor, made up of principal and interest, are permitted to be charged to income as an expense over the term of the lease. Purchasers of equipment are normally allowed to depreciate the asset for tax purposes over long terms and on a straight-line basis. For example, most industrial equipment is written off over a period of around seven years. By acquiring the equipment through a lease with a shorter tenor, the user of the equipment can accelerate its write-off in line with the real depreciation of the asset. Obsolescence in some kinds of assets (i.e. electronic or data processing) is currently extremely fast compared with tax depreciation. This speed-up depreciation method provides the lessee with an after-tax financing cost which is often below the after-tax cost of either bank debt or even of utilizing his own funds. The favorable tax treatment reflects the Spanish Government's interest in getting corporations to invest in productive fixed assets in order to modernize their production plants and face foreign competition.

Furthermore, the lessee will enjoy for the current fiscal year the investment tax credit, by recording his commitment to exercise the option to purchase the asset at the end of the lease term. The percentage to be taken as tax credit, currently 15 percent, is the same as that applicable to the acquisition of fixed assets, and its amount shall also not exceed the limit of 25 percent of the tax due. Nevertheless, according to the new tax law project, investment tax credit will generally be reduced for the 1988 fiscal year down to 10 percent, and it will probably disappear for all investments financed through lease operations. Although this could make leasing lose ground compared to other financial instruments, medium-term, it is unlikely that the investment tax credit will exist in Sain for any types of capital expenditures; the Government is gradually showing a tendency to cancel all tax credits.

In conclusion, leasing still has a great future in Spain as an orthodox way to finance long-term projects. Nevertheless, it will be strongly influenced by the changes in the legal environment similar to the ones appearing in other Western countries. Therefore the leasing sector will have to go on specializing and it must remain flexible to re-adapt and to extend its range of products to face these changes and to offer more sophisticated means of financing. □

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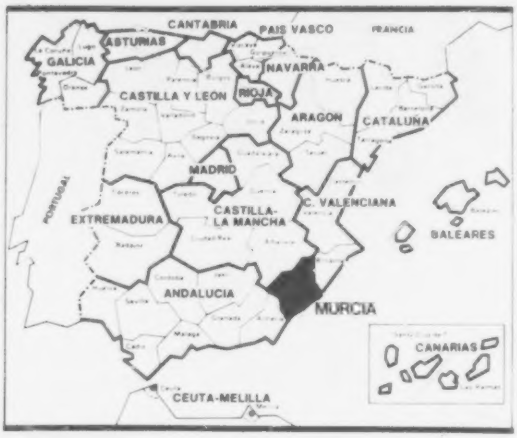
MURCIA
A Region With a Future!
A SPECIAL SECTION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The Investment Potential of the Region of Murcia

Murcia has a promising future, as we intend to show in this special section of the Spain-U.S.A. Chamber of Commerce's *The Business Link* Magazine. Murcia enjoys a solid infrastructure and a calm social climate conducive to work. Contrary to the impression of many outsiders, it is not purely an agricultural region. While agriculture is a basic fact of life for the Murcian people, today our infrastructure is predominantly industrial and commercial with a long standing exporting tradition and the business aggressiveness required to serve the most demanding markets. We are particularly strong in the sectors which Spain's central government has found to have an especially bright future: food, commerce and tourism.

We have tried, in this section, to depict the realities of the Region of Murcia, to outline the various components of our productive system and to pinpoint its relatively unknown investment opportunities. We have attempted to present the information essential for evaluating the economic reality of Murcia, the information upon which any investment decision must be based.

Murcia has demonstrated the ability to promote and achieve balanced economic development. We have shown we can nurture industry, commerce and tourism, while at the same time developing our deeply rooted agricultural tradition.

I very much hope that this special section will help the reader discover today's Murcia and to gain an insight into the Murcia of tomorrow, its enormous potential and investment opportunities.

CARLOS COLLADO MENA
Presidente de la Comunidad Autonoma
de la Región de Murcia

MURCIA: A SPECIAL SECTION

Murcia and the Spanish Economy

"Because of its economic structure and international exposure, Murcia has been well equipped to outpace the economic boom which Spain is still enjoying."

By Francisco Artés Celero
Counselor of Industry, Commerce and Tourism of the Region of Murcia

THE ECONOMY OF SPAIN

The performance of the Spanish economy in 1986 was reflected in the buoyancy of the stock market: on the Madrid stock exchange, the composite price index for 1986 registered an increase of over 100 percent, far the largest of any country in Western Europe.

As a consequence of the highly favorable development in Spain's external economic position, the Bank of Spain's international reserve holdings (including gold reserves) increased by almost $3 billion, from $14.5 billion at the end of 1984 to $17.3 billion at year-end 1985 to $29.5 billion a year later, partly through early retirement and prepayment of public sector external obligations. The current accounts are projected to again show a comfortable surplus, in the area of $4 billion.

Prospects for 1987 and beyond remain favorable. The trade deficit is likely to increase in 1987, partly because of the recent strength of the peseta in terms of the U.S. dollar (from ptas. 172 at year-end 1989 to ptas. 135 at the end of 1986 to 122 on October 1st, 1987), and partly because of higher prices for oil imports. However, net revenues from the service industries should show further gains. Tourism has had another record year, although increases were not as spectacular as in 1986 when revenues increased by 98 percent from 1985 and reached a record US$12.1 billion.

Overall growth of the economy in 1987 is likely to exceed 3 percent and growth may well accelerate in the final years of this decade. Economic expansion is now also leading to the creation of new jobs—probably over 100,000 of them this year.

The Summer Olympic Games to be held in Barcelona and the World's Fair scheduled for Seville, both in the 1992 anniversary year, will bring visitors from all over the world to Spain. They will have the opportunity to witness for themselves the tremendous economic progress that has been achieved in the country.

THE ECONOMY OF MURCIA

During the past year, Murcia's economy has kept in step with the overall trends in the national economy.

Because of its economic structure and international exposure, Murcia has been well equipped to outpace the economic boom which Spain is still enjoying. Indeed, between 1973 and 1983 Murcia's GDP grew at the third fastest pace, in comparison with the other Autonomies. In 1986 it increased by 3.5 percent, vs. a national average of about 3 percent.

Murcia's Industry, Commerce and Tourism

Although Murcia remains a leader in the agricultural sector, where tradition is compatible with dynamic innovation, the Region's industrial sector remains relatively unknown. The large public and private firms concentrated in Cartagena coexist with an extensive industrial network of small and middle-sized businesses throughout the Region. Among the industries prominently represented are fertilizers, metals, minerals, petroleum, electrical generating, chemicals, civilian and military shipbuilding, and foods. The food industry is concentrated in canned and frozen foods, meat products, paprika and wines. The furniture, tanning and metalworking industries are currently undergoing a period of revival through a combination of creativity and technological innovation.

Commercial activity has boomed within the Region during the last decade, largely due to the use of irrigation technology on large areas of previously infertile land, the restructuring of small and middle sized businesses, and the application of solid marketing techniques.

The repercussions of these changes have been felt abroad as well. The dollar value of Murcia's exports to the European Economic Community in 1986 was more than double that of its imports for the same period. As a whole, Murcia is in good shape in face of the challenges of international trade.

Tourism is an industry with great potential for development over the short and medium terms. Our climate, our practically virgin coastline, the diversity and quality of our resources, the possibilities of our inland areas, and our prime geographical location make our Region a privileged destination for tourists— and for new businesses.

MURCIA: A SPECIAL SECTION

Murcia: Geography

Murcia, located in Southeastern Spain, is a climatic Eden where the mean temperature is 19° c. The Region covers 11,317 square kilometers and its coastline extends for 176 km. Also known as the *Costa Calida* (Warm Coast), it enjoys an exceptionally large number of hours of clear skies.

The population of Murcia is over one million, distributed among its 45 municipalities. The City of Murcia, the administrative capital, has a population of about 300,000, followed by Cartagena with 175,000.

CLIMATE

(8-Year Average)

Average annual air pressure (mm.)	758.0
Average annual temperature (°C.)	18.7
Number of days below freezing point	1
Number of days with temperature above 30°C	92
Average relative humidity (%)	55.8
Total hours of sunshine	2,826.7
Total rainfall (mm.)	262.4

SURFACE AREA AND LAND USE

	Km.^{2}	Percent
(a)Regional surface area (km.^{2}) /% national surface area	11,317	2.25
Land use (1984):		
(b) Cultivable surface area (in thousands of hectares)/% (a)	595.0	52.6
Non-irrigated (in thousands of hectares)/ % (b)	430.7	72.4
Irrigated (in thousands of hectares)/ % (b)	164.3	27.6
Pastures and meadows (in thousands of hectares)/ %(a)	25.6	2.3
Forest (in thousands of hectares)/%(a)	301.4	26.6
Other uses (in thousands of hectares)/%(a)	209.6	18.5
Total number of municipalities	45	——

POPULATION

Registered population, 1981 - % national	955,487	2.54
Registered population, 1985 - % national	1,023,901	2.65
Density 1985 (inhabitants per Km.^{2}) vs. national	90.0	76.6
Principal towns and cities 1985 (inhabitants)/% total 1985		
—Murcia	309,481	30.2
—Cartagena	175,597	17.2
—Lorca	65,767	6.4
—Molina de Segura	35,390	3.4
—Cieza	31,593	3.1

System of Government

Murcia was constituted as an Autonomous Community within the Kingdom of Spain, following the Law of June 9, 1987. The Regional Assembly, the Executive and the Council of Government make up the three branches of government.

The Regional Assembly is the legislative body. Its principal responsibilities are electing the President of the Autonomous Community, approving budgets, and overseeing the actions of the Council of Government and of the President.

The President holds executive power for a four-year term of office. He is the highest representative of the Region. He heads and coordinates the actions of the Council of Government and is accountable to the Assembly.

The Council of Government formulates and executes regional policy and is responsible for the government and administration of the Region. It is formed by seven distinct councils:

Hacienda (Fiscal Policy)
Administración Pública (Public Administration)
Politica Territorial y Obras Públicas (Local Policy and Public Works
Agricultura, Ganaderia y Pesca (Farming and Fishing)
Sanidad, Consumo y Servicios Sociales (Health, Consumer Protection and Social Assistance)
Economia, Industria y Comercio (Economy, Industry and Commerce
Cultura, Educación y Turismo (Culture, Education and Tourism
file: murGeog

Infrastructure

HIGHWAYS

Murcia's regional road network is approximately 5,639 kilometers long. The two highways with the highest volume of traffic, the N-301 and the N-340, are part of the national basic road network. These first-class roads intersect at the Region's capital, the city of Murcia.

The N-301, which joins Cartagena and Murcia with the center of the peninsula, is the traditional route to Madrid. It functions on a national level, and connects the port of Cartagena, its industrial complex and irrigated areas, with the rest of the country.

The other traditional communications artery is the N-340, which runs parallel to the coast connecting the Region of Murcia with the *Comunidad* of Valencia, as well as with Cataluña and Andalucia. It transports most of Murcia's agricultural and food products to European markets. This highway, like N-301, functions as an important interregional connection. Along this Northeast-Southeast axis is the Alicante-Murcia dual highway, which connects Murcia to the Mediterranean Motorway and the entire European Motorway system. Murcia's coastal roads also serve as the route for tourists and other consumers passing through to the Costa del Sol area and North Africa.

RAILROADS

Murcia is served by RENFE, the Spanish national railway system, the 262 kilometer-long passenger and freight network which connects the principal cities of Spain.

AIRPORT

The Murcia Region's airport is located in San Javier, near the Mediterranean coast and the Mar Menor tourist resort and 47 kilometers from Cartagena.

Due to the military character of the facilities (part of the General Air Force Academy is based here) the airport has a conditional civilian traffic availability. This, however, does not prevent a daily schedule of flights to Madrid and Barcelona, as well as charter flights which bring tourists from all over Europe to the numerous beaches of Mar Menor, La Manga, Mazarrón, Aguilas, and all of the Costa Cálida in general.

HARBORS

The most important ports of the Region are San Pedro del Pinatar, Cabo de Palos, Mazarrón, Aguilas and Cartagena. The latter stands out as the great regional port and one of the most important in the country in freight shipments.

By volume, the most important function of the port of Cartagena is the entry of crude oil from abroad and the departure of refined petroleum products as coastal traffic. The port is connected to a broad heartland comprising practically the entire Region. In addition to petroleum, the port's general freight includes bulk solids (corn, soya beans), liquified gases, phosphates and cement. The outbound freight includes petroleum derivatives, minerals, fertilizers, chemical products, canned fruits and vegetables.

LABOR

Annual pre-tax salaries in high paying positions range between 1.8 and 3.0 million pesetas, while those in lower paying positions average between 1.0 and 1.8 million (US$1.00 = approximately 122 pesetas as of October 1, 1987). These salaries are low by Spanish national standards and substantially lower than the European average. Labor conflicts are also less frequent and shorter in duration than the national and European averages, contributing positively to the number of hours worked.

Work Force (Fourth Quarter 1985)

Active population/% total	315,500	30.8
Working population	255,400	100.0
Agriculture	50,900	19.9
Industry	58,600	22.9
Construction	19,400	7.6
Services	126,500	49.6

Industry and Agriculture

Macroeconomic indicators characterize Murcia as an industry- and service-led region. Despite the recent industrial boom, however, the traditionally strong agricultural sector, including livestock, continues to thrive, making Murcia the third regional agrarian power. The Region's industrial development is tightly linked to the food industry, specifically to pimentos and canned fruits and vegetables. The following tables give an idea of the relative importance of various sectors:

AGRICULTURE (1984)

(Surface area in hectares/production in metric tons)

	Hectares	Metric tons
Cereals:		
Rice	259	1,610
Oats	17,000	10,200
Barley	99,900	90,000
Maize (corn)	1,605	12,420
Wheat	27,100	20,800
Industrial crops:		
Cotton (raw)	6,318	16,765
Red pepper/paprika (dry shell)	3,628	9,334
Capers	294	230
Forage crops:		
Alfalfa	6,456	387,360
Tubers:		
Potato	5,073	88,573
Market garden produce:		
Artichokes	3,306	26,698
Broad beans	4,908	33,860
Lettuce	1,404	55,145
Peas	954	3,438
Green peppers	1,154	77,540
Watermelon	355	10,050
Tomatoes	5,717	281,236
Melon	7,770	150,079
Citrus fruits:		
Lemon	22,882	220,000
Tangerine	992	16,872
Orange	6,178	53,791
Other fruits:		
Apricot	10,594	147,168
Almond (shell)	68,704	18,979
Plum	3,212	42,875
Peach	11,864	94,395
Apple	2,205	20,034
Pear	863	7,141
Grape (table)	4,201	77,600
Grape (for wine)	70,085	598,693*
Olive	10,242	5,020

	Hectares	Thousand dozen
Flowers:		
Carnations	152	19,300
Roses	23	304
Other flowers	51	1,560

Investing in Murcia

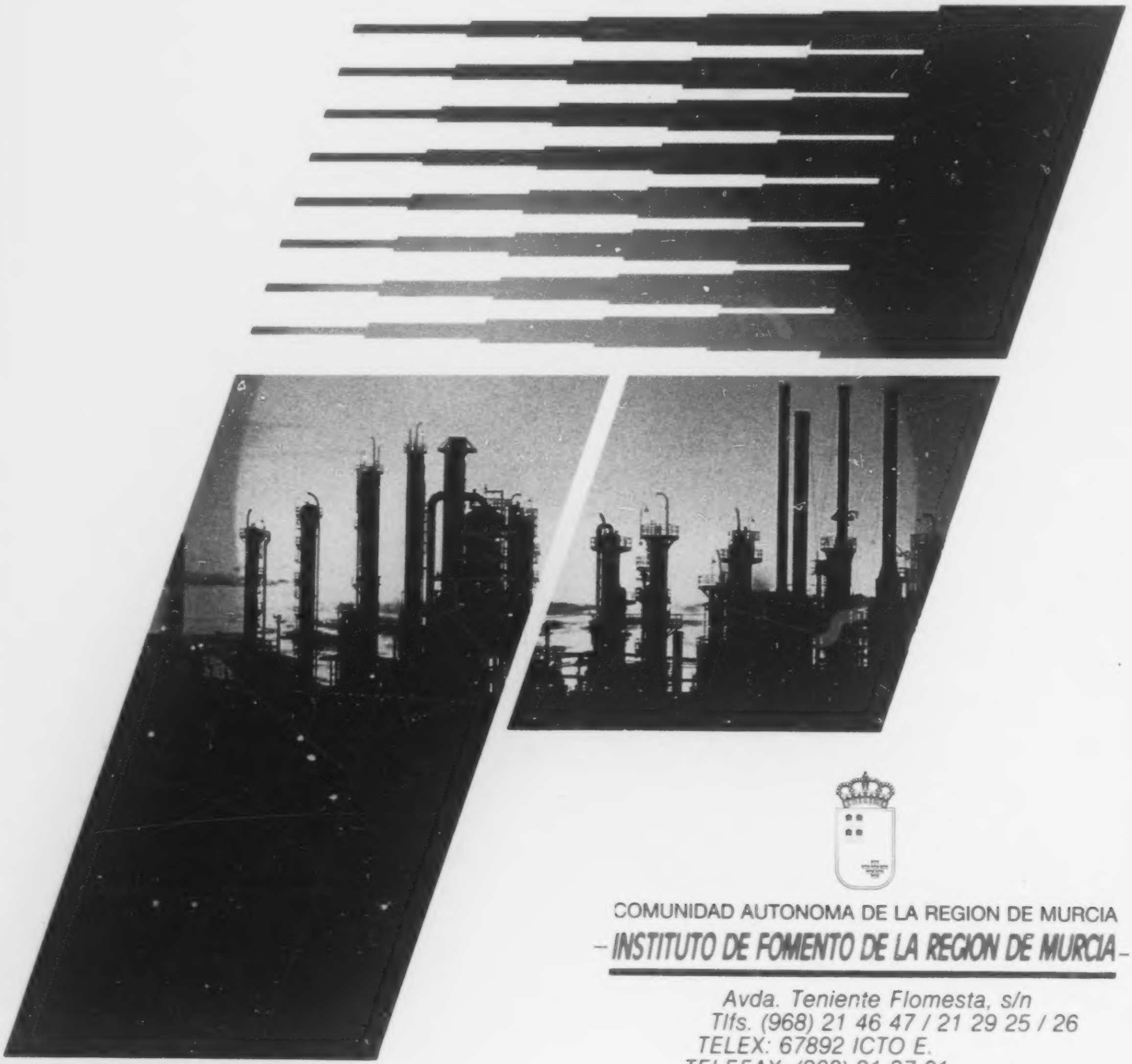
(SPAIN)

INSTITUTO DE FOMENTO DE LA REGION DE MURCIA

SPAIN has become the focus for foreign investment in the so-called New Europe. The Region of Murcia offers comparatively substantial financial, commercial and tax incentives within the framework of the Preferential Areas designed by the European Community.

The Instituto de Fomento is the body responsible for informing companies on the various financial aids which will be available according to the future Regional Incentives Bill as well as for assessing the projects to be carried out by both foreign and domestic investors. These grants, which can reach 75% of total investment, are based on location after a feasibility study of the investment project.

The Instituto de Fomento can also participate in joint-venture investment projects with foreign partners.



COMUNIDAD AUTONOMA DE LA REGION DE MURCIA

– INSTITUTO DE FOMENTO DE LA REGION DE MURCIA –

Avda. Teniente Flomesta, s/n
Tlfs. (968) 21 46 47 / 21 29 25 / 26
TELEX: 67892 ICTO E.
TELEFAX: (968) 21 27 01
30071 - MURCIA

MURCIA: A SPECIAL SECTION

LIVESTOCK (1983)

	No. of head	Metric tons
Sheep	348,102	16,000
Goats	53,595	1,100
Pigs	956,515	146,500

STRUCTURE OF GDP (1983)

	Murcia	Spain	% Murcia/Spain
Agriculture	11.1	6.5	3.58
Industry	23.9	27.6	1.79
Construction	8.0	6.2	2.68
Services	57.0	59.6	1.98
Total	100.0	100.0	100.0

FOREIGN TRADE (1986)

Imports (millions of pesetas)	136,718.6
Exports (millions of pesetas)	124,850.2
Number of tourists accommodated	663,478

INDUSTRIAL SECTOR

1983 GDP (Gross Domestic Product)

	Number of jobs	Percent of total	Million pesetas	Percent of total
Total for Industry	**59,622**	**100.0**	**111,051**	**100.0**
Energy and water	3,201	5.4	20,607	18.5
Minerals and metals	1,635	2.7	4,945	4.4
Minerals and non-metallic prod.	4,344	7.3	7,753	6.8
Chemicals	3,177	5.3	14,392	12.9
Metal products and machinery	6,312	10.6	10,595	9.5
Transport equipment	4,434	7.4	3,522	3.2
Food, beverages and tobacco	19,247	32.3	25,833	23.3
Textiles, leather and footwear	6,859	11.5	9,846	8.9
Graphic arts/printing	1,441	2.4	2,464	2.2
Wood, cork, and wooden furniture	7,516	12.6	8,596	7.7
Rubber, plastics and other manufactures	1,456	2.4	2,678	2.4

EMPLOYMENT: DISTRIBUTION OF ACTIVE POPULATION

GDP: Volume and Structure

	MURCIA				SPAIN			
	Number Employed	Percent of total employed	Gross Value Added	Percent of total	Number employed	Percent of total employed	Gross Value Added	Percent of total
Agriculture	57,875	21.0	51,822	11.1	2,003,382	16.9	1,447,023	6.5
Industry & Construction	78,742	28.6	148,378	31.9	3,864,365	32.5	7,564,442	33.8
Services	138,514	50.3	265,355	57.0	6,015,396	50.6	13,357,275	59.7
Total	**275,131**	**100.0**	**465,555**	**100.0**	**11,883,143**	**100.0**	**22,368,746**	**100.0**

Murcia: International Trade

Murcia has a long export tradition. Its exports in 1986 reached a value of 124,850 million pesetas, while imports were valued at 130,718 million. While the nature of the imports has remained stable (crude oil and other energy sources, metals, and agricultural products), the total dollar value has decreased because of lower oil prices and the weakening U.S. dollar. Exports consist primarily of fresh fruits and vegetables plus other food industry products (65.7 percent) and fertilizers (16 percent). These categories make up 81.7 percent of total exports, revealing the weight and clear specialization of the region in the food industry. However, non-traditional exports such as footwear, manufactured metals, and electrical goods and components are beginning to make their appearance in the international market place.

The European Community is the Region's principal client, with 61.5 percent of total exports going to the EEC in 1986. Only 9.3 percent of Murcia's total exports reached the North American continent as a whole. On the other hand, 35.6 percent of total imports originated in the North American continent, with Mexico as the largest single provider, since it supplies most of Murcia's crude oil needs. Imports from the United States represent a mere 7.1 percent of total imports, while the Arab world's share of Murcia's total imports is 29.5 percent and the EEC's share is 22.5 percent. These figures indicate that there is much room for growth of trade between the U.S. and this Spanish Region.

1986 BALANCE OF TRADE BY TARIFF SCHEDULE

		IMPORTS			EXPORTS		
	PRODUCTS	Million Pesetas	Percent of Total	Percent from EEC	Million Pesetas	Percent of Total	Percent from EEC
I	Livestock	3,592.3	2.63	85.26	264.3	0.21	82.75
II	Vegetable Products	16,369.5	11.97	18.23	52,951.0	42.41	75.74
III	Fats and Animal & Vegetable Oils	24.2	0.02	99.59	2,395.4	1.92	63.89
IV	Food Industry Products	3,715.1	2.72	13.90	29,128.6	23.33	52.28
V	Mineral Products	85,678.3	62.67	7.07	19,962.5	15.99	48.68
VI	Chemical Products	5,590.5	4.09	84.14	8,005.4	6.41	34.04
VII	Plastic Materials	672.0	0.49	69.06	55.5	0.04	85.95
VIII	Hides, Leather, Furs	2,532.9	1.85	59.36	546.3	0.44	91.23
IX	Wood, Vegetable Coal	939.6	0.69	44.45	874.7	0.70	84.94
X	Paper, Graphic Arts	678.4	0.50	11.65	85.7	0.07	78.23
XI	Textiles	603.5	0.44	46.91	896.9	0.72	56.77
XII	Footwear	24.2	0.02	98.35	1,513.4	1.21	77.53
XIII	Stone, Plaster, Cement	175.1	0.13	87.72	483.5	0.39	59.15
XIV	Pearls, Gems	27.4	0.02	99.64	729.7	0.58	99.36
XV	Common Metals	8,765.8	6.41	97.66	2,732.4	2.19	38.21
XVI	Machinery, Electrical Parts and components	5,042.7	3.69	68.82	1,463.6	1.17	28.55
XVII	Transportation Equipment	1,194.0	0.87	84.96	1,633.9	1.31	78.24
XVIII	Optical Instruments	365.2	0.27	88.61	24.1	0.02	33.61
XIX	Arms and Ammunition	555.2	0.41	100.0	24.5	0.02	92.24
XX	Other Goods and Products	164.8	0.12	35.80	928.5	0.74	46.90
XXI	Works of Art	1.7	0.00	100.00	3.2	0.00	18.75
	TOTALS	136,718.6	100.00	22.51	124,850.2	100.00	61.46

Source: Dirección General de Aduanas

Trade Between Murcia and the United States

In 1986 Murcia experienced a trade surplus with the United States. While Murcia's exports to the U.S. were valued at 11,618 million pesetas, imports from the U.S. amounted to only 9,751 million pesetas.

According to the tariff schedule classifications, over 85 percent of Murcia's exports to the U.S. consist of fresh and canned fruit and vegetables and chemical products. U.S. exports to Murcia are mostly seed and oil seed (60.7 percent of total imports from the U.S. in 1986), petroleum oils (13.2 percent), raw materials for the extraction of vegetable oils (7 percent), chemicals and cosmetics (5.8 percent), telecommunications equipment (5.8 percent) and raw hides (4.2 percent).

The outlook for the future of this trade is one of increasing activity, a reflection of past and present trends.

MURCIA-U.S.A. TRADE BALANCE — 1986

	SECTOR	IMPORTS Millions of Pesetas	EXPORTS Millions of Pesetas
I	Livestock	30.2	—
II	Vegetable Products	5,914.7	1,673.4
III	Fats and Animal & Vegetable Oils	0.1	206.5
IV	Food Industry Products	692.7	7,635.4
V	Mineral Products	1,290.2	568.1
VI	Chemical Products	567.8	895.7
VII	Plastic Materials	2.1	0.4
VIII	Hides, Leather, Furs	414.2	2.9
IX	Wood, Vegetable Coal	41.2	9.7
X	Paper, Graphic Arts	1.9	—
XI	Textiles	1.2	8.5
XII	Footwear	—	123.7
XIII	Stone, Plaster, Cement	7.8	97.4
XIV	Pearls, Gems	—	—
XV	Common Metals	85.2	17.7
XVI	Machinery, Electrical Parts and components	658.9	350.2
XVII	Transportation Equipment	12.1	3.7
XVIII	Optical Instruments	22.4	—
XIX	Arms and Ammunition	—	—
XX	Other Goods and Products	3.1	6.3
XXI	Works of Art	—	—
	TOTALS	9,751.7	11,618.5

Source: Dirección General de Aduanas

Incentives for Investment in Murcia

With the abundance of incentive programs, "any viable investment project in the Region enjoys great comparative advantage."

Regional economic indicators attest to Murcia's favorable climate for investment, not only because the general socioeconomic climate of Spain is propitious for foreign investment but because the Region of Murcia itself has its own meaningful features.

Regarding infrastructure, the Autonomous Community of the Region of Murcia is promoting industrial zoning throughout the Region on an extremely competitive level. The development of industrial infrastructure in the municipalities of Cartagena, Lorca, Caravaca, Yecla and Alhama has been complemented by the creation of **Preferred Industrial Zones** in which preferred lines of credit, subsidies, and various forms of assistance are available.

The legislation liberalizing foreign investment in Spain, the legislation governing fiscal and labor policy, the composition of human resources, and the availability of industrial zoning are considerations which by themselves can be sufficient to determine that Spain is the ideal site for investment.

Murcia has a special advantage in that it qualifies as a preferential and priority zone with various EEC structural funds. As an "Assisted Zone" by the **European Fund for Regional Development**, investment projects which are deemed to contribute to the development of the Region will be co-financed. These EEC funds can be tapped for investments in industry, commerce, tourism and craftsmanship. Subsidies can amount to as much as 55 percent of total capital investment.

Murcia, declared a "Zone of Superpriority" by the **European Social Fund**, can also obtain funds towards job creation and professional training.

To allocate these funds, Murcia has created the following programs:

- Youth employment assistance
- Employment assistance for workers with families
- Women's employment assistance
- Cooperative employment assistance

The Orientation Department of the European Fund for Agricultural Orientation and Guarantee has classified the Region of Murcia as a "Zone With Difficulties". Entrepreneurial projects in the food industry are thus eligible for subsidies of up to 35 percent of total investment required. This program will no doubt be of enormous importance to the Region's food industry, a pioneer in the design and application of new techniques and processes.

Furthermore, Spain's central administration has designed the **Law of Regional Incentives for the Correction [illegible] Interterritorial Economic Imbalances** to bring r[illegible]al policy in line with EEC policy. When the bill becomes law, the Region of Murcia will be classified as a "Zone for Economic Promotion, Type I," meaning that investment projects will be eligible for subsidies of up to 75 percent of total investment required, so long as these projects are deemed economically, financially and technically viable and the self-financing level is greater than 30 percent of the approved investment.

Given these incentives, any viable investment project in the Region enjoys great comparative advantages. These advantages are further complemented by the Region's natural and energy resources (geothermal, solar, hydroelectric, etc.), its specialized human resources, and its specific incentive programs for job creation, promotion of craftsmanship, mining and tourism, environmental protection, etc.

As is the case all over the world, administrative procedures often turn well intentioned programs such as the above into obstacles to entreneurial initiative. With this in mind, the Government of the Region has created the **Institute for the Promotion of the Region of Murcia** to serve as the vehicle through which the entrepreneur or potential investor can gain access to the various programs or funds.

The Institute has also designed its own package of assistance programs:

- Program for the Creation of New Businesses
- Program for Finance of Small and Medium Sized Companies
- Program for Support of Technological Innovation
- Program for Business Information
- Program for University Graduates

The Institute's principal objective is to foster private initiatives, advise on various aspects of the investment (finance, taxes, labor, etc.), provide the investor with all the information required to make the investment decision, and transfer information and funds from the various public administrations.

The Institute is also empowered to participate as a minority shareholder on a temporary basis during the start-up phase of of a venture.

Managed with entrepreneurial spirit, the Institute supports the businessman by assisting in strategy formulation and implementation.

The Institute will help those businesses that intend to settle in Murcia by granting low interest loans, participating on a joint venture basis, offering specific training courses and programs, and more.

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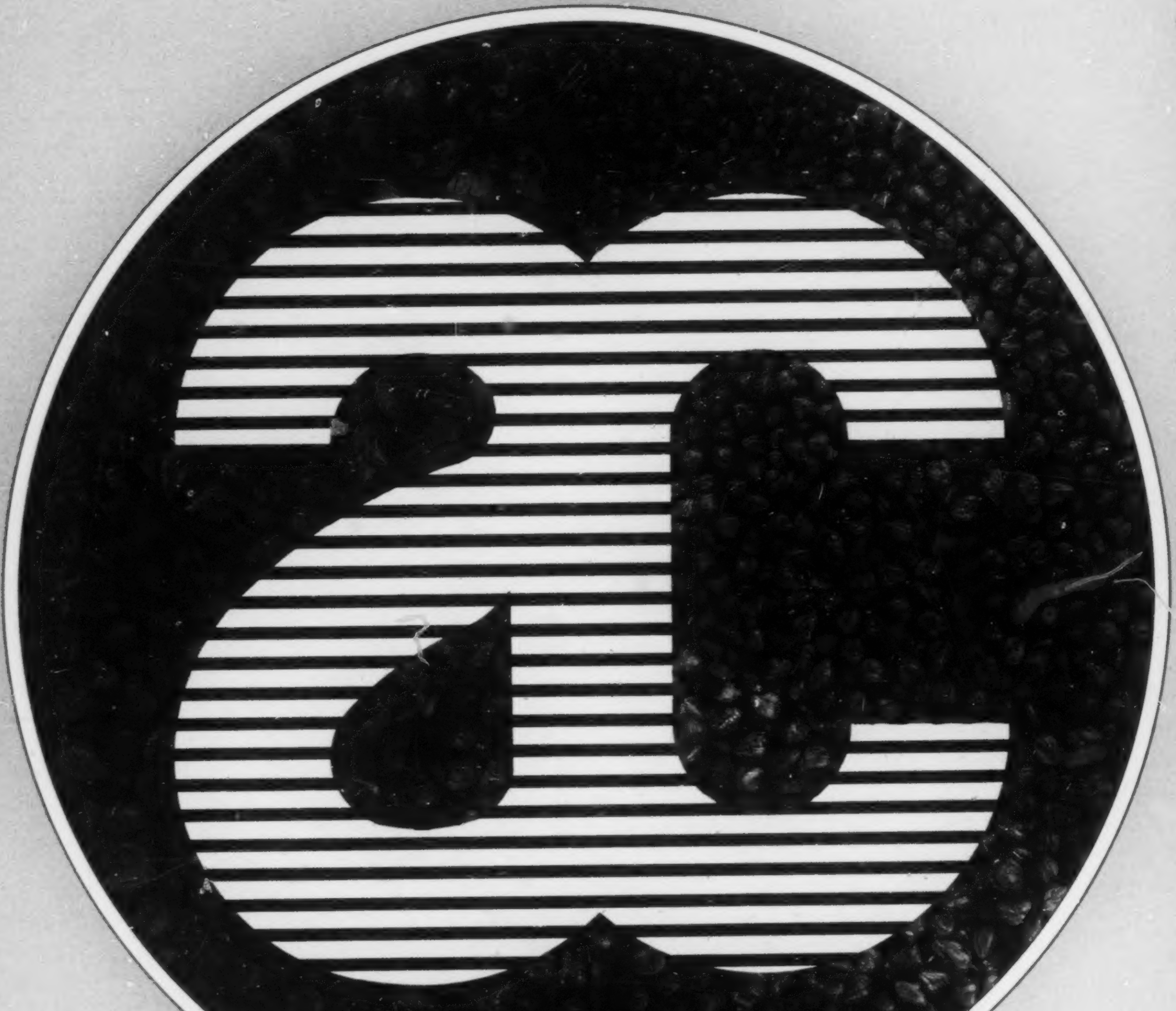


AGRUCAPERS, S.A.
P.O. Box 14 AGUILAS (MURCIA) SPAIN
Phone: (68) 410450
Tx.–67129 / 67108 caper e
Telefax: (68) 412955

DELICIAS
PICKLES & CONDIMENTS

MURCIA: A SPECIAL SECTION

Incentive Programs and Their Benefits

STATE MEASURES FOR BOOSTING EMPLOYMENT

	PROGRAM	PRINCIPAL BENEFITS	COMPANIES	WORKERS	DURATION	COMMON PROVISIONS & OTHERS
SOLIDARITY FUND R.D. 180/85 13 FEB. & O.M. 21 FEB. 1985	1. GENERATING & INNOVATIVE PROJECTS.	Technical support, partly subsidized interests on the loans or the investment, up to 2 m./post.	Not in debt to Soc Sec and not subject to reconversion	No special requirement	Indefinite except exceptional cases	- Committed to maintenance of employment level until completion of subsidized contract. - Applications to Provincial Director, Ministry of Employment - Settlements through Minister or Council of Ministers - Basically, all aid refers to 1985 - These kinds of aid are compatible with others
	2. SALARIED SUPPORT FOR NEW CONTRACTS	Subsidized up to 25% salary costs and Social Security in certain contract provisions	Not in debt to Soc Sec	The registered unemployed (in INEM) This excludes immediate family (second degree)	Subsidy up to 12 months	
	3. PROFESSIONAL APPRENTICESHIPS & SIMILAR	Facilitate integration and professional retraining	Interested in collaboration	Where newly-contracted staff is not necessary	Not contract	
	4. COLLECTIVE INTEGRATION OF GROUPS WITH SPECIAL DIFFICULTIES	- Professional (apprenticeship) Training - 15% subsidy on salaries and Social Security costs - Subsidies to the unemployed who	Not in debt to Soc Sec and not for immediate relatives up to 2nd degree	The disabled The Unemployed + 18 months Women Emmigrants	Not fixed Indefinite	
	5. BY TERRITORIES	Priority in benefits concession even exceeding max 3.				
MEASURES IN SUPPORT OF JOB CREATION	1. CO-OPERATIVES & LABOUR SOCIETIES	Subsidized loans with 6% interests and technical assistance	To those that create employment or finance it. Possible financing various activities			Procedures through Direccion Provincial, Ministry of Employment - Settlement through the central administrative unit Continuation and control
	2. LOCAL ENTERPRISES	Technical assistance and subsidized interests on loans	For small and medium-sized companies that generate stable employment and are newly created			
	3. DISABLED	Various subsidies	For the disabled and Special Centres			
INEM AGREEMENT & CIVIL SERVICE	CARRYING OUT BUILDING & PUBLIC SERVICES	40-75% subsidies of salary and Soc. Security costs	Public Administrations or Contractors	The Registered unemployed (in INEM)	Between one and twelve months	Regulation in the O.M. 21 Feb. 1985

FISCAL AND SOCIAL SECURITY INCENTIVES

POLITICO-ECONOMIC MEASURES R. DECREE LAW 2.85 OF 30.4	30% limit repressed on the quota on the reduction for employing the 500,000 pts. "Impuesto de Sociedades" (Company Tax)	Possibility of entering the reduction into the accounts during the following 4 years
	Reduction in personal tax of the cash investments by the company's workers taking an option on shares (17%)	Improve the possibility as regards the shares not quoted on the Stock Exchange

INCENTIVES FOR INDEFINITE CONTRACTING	**COMPANIES:** To be up-to-date on their obligations to Social Security and not reduce their staff by more than 10%	**BENEFITS:** Reduction in contributions by common contingencies on the Social Security's "Regimen General" (General Plan) at 12% during all the applicability of the contract.	**CONTRACTS WITH REDUCTIONS** - Workers under 26. - Cooperative partners under 26 if the Co-operative opted for the "Regimen General" - Contracts for workers undergoing practical work or for training that converts them into indefinite workers. - Fixed time period contracts, in force at 1.6.85 that become of indefinite duration.

MURCIA: A SPECIAL SECTION

USEFUL ADDRESSES

Comunidad Autónoma

COMMUNIDAD AUTONOMA DE
LA REGION DE MURCIA
(Seat of the "Gobierno Autónomo")
Palacio de San esteban
30005 Murcia — Tel. 29 20 11

CONSEJERIA DE PRESIDENCIA
Palacio de San Esteban
30005 Murcia — Tel. 29 20 11

CONSEJERIA DE ECONOMIA,
HACIENDA Y OBRAS PUBLICAS
Avda. Teniente Flomesta, s/n
30071 Murcia
Tel. 21 38 45 / 21 38 80

CONSEJERIA DE POLITICA
TERRITORIAL Y OBRAS PUBLICAS
Avda. Teniente Flomesta, s/n
30071 Murcia
Tel. 21 06 75 / 21 08 69

CONSEJERIA DE CULTURA
Y EDUCACION
Gran Via, 12
30004 Murcia
Tel. 21 46 27 / 21 21 36

CONSEJERIA DE INDUSTRIA,
COMERCIO Y TURISMO
Avda. Teniente Flomesta, s/n
30071 Murcia
Tel. 21 22 12 / 21 35 55

CONSEJERIA DE AGRICULTURA,
GANADERIA Y PESCA
Plaza de Juan XXIII
30008 Murcia
Tel. 24 02 30 / 24 02 11

CONSEJERIA DE SANIDAD,
CONSUMO Y SERVICIOS SOCIALES
Ronda de Levante, 11
30008 Murcia
Tel. 23 37 95 / 23 57 12

GENERAL DELEGATION
OF THE GOVERNMENT
Avda. Teniente Flomesta, s/n
30001 Murcia — Tel. 21 46 09

Provincial Addresses

DIRECCION PROVINCIAL DE
OBRAS PUBLICAS Y URBANISMO
Avda. Alfonso X El Sabio, s/n
30008 Murcia — Tel. 24 07 00

DELEGACION PROVINCIAL
DE HACIENDA
Gran Via, 25
30005 Murcia — Tel. 24 95 12

DIRECCION PROVINCIAL
DE EDUCACION Y CIENCIA
Plaza Fontes, 2
30001 Murcia — Tel. 21 76 86

INSTITUTO NACIONAL
DE LA SALUD
C/ Pinares, 6
30008 Murcia — Tel. 21 47 03

DIRECCION PROVINCIAL
DEL I.N.S.S.
Avda. Alfonso X El Sabio, 15
30008 Murcia — Tel. 24 91 16

NATIONAL INSTITUTE
OF EMPLOYMENT
C/ Santa Teresa, 16
30005 Murcia — Tel. 23 73 74

JEFATURA PROVINCIAL DE TRAFICO
C/ Ricardo Zamora, s/n
30003 Murcia — Tel. 25 62 11

JUNTA DEL PUERTO
DE CARTAGENA
Plaza Héroes de Cavite, s/n
Cartagena — Tel. 50 31 00

CUSTOMS & EXCISE
Puerto de Cartagena
Plaza Héroes de Cavite, s/n
Cartagena — Tel. 50 22 76

Chambers of Commerce

CAMARA OFICIAL DE COMERCIO,
INDUSTRIA Y NAVEGACION
DE MURCIA
C/ Frutos Baeza, 3
30004 Murcia — Tel. 21 74 78

CAMARA OFICIAL DE COMERCIO,
INDUSTRIA Y NAVEGACION
DE CARTAGENA
Plaza Castellini, 5
Cartagena — Tel. 50 70 50

CAMARA OFICIAL DE COMERCIO
E INDUSTRIA DE LORCA
C/ Pio XII, 27
Lorca — Tel. 46 73 70

Communications Media

Press

LA VERDAD (Daily Newspaper)
C/ Fonda de Levante, 15
30008 Murcia — Tel. 23 40 00

TRIBUNA REGIONAL
C/ Plateria, 44
Murcia — 21 62 53

HOJA DEL LUNES
C/ Gran Via, 7
Murcia — Tel. 21 70 37

Radio

RADIO MURCIA
C/ Radio Murcia, 4
Murcia — Tel. 29 76 12 / 21 61 79

RADIO NACIONAL DE ESPAÑA
C/ Jaime I El Conquistador, 11
Murcia — Tel. 23 02 50

RADIO POPULAR
C/ Arco de Santo Domingo
Murcia — Tel. 21 76 30

RADIO CADENA ESPAÑOLA
C/ Isaac Albéniz, 8
Murcia — Tel.23 45 50

ANTENA 3
Avda. Gral. Primo de Rivera, 14
Murcia — Tel. 23 21 00

RADIO LUZ
C/ Madre de Dios, 24
Murcia — Tel. 21 57 71

Television

TELEVISION ESPAÑOLA
(Centro Regional)
Avda. de la Libertad, 6
Murcia — Tel. 24 34 54

Tourism

DIRECCION REGIONAL DE
COMERCIO Y TURISMO
C/Isidoro de la Cierva, 10
30001 Murcia
Tel. 21 27 76 — 21 71 57

Tourist Offices

MURCIA:
Regional Office of Tourist
Information
C/ Alejandro Seiquer, 4
30001 Murcia — Tel. 21 37 16

Municipal of Tourism
C/Tomás Maestre
30004 Murcia — Tel. 21 37 16

LOS ALCAZARES:
Municipal of Tourism
Ayuntamiento
Ctra. San Javier — Tel. 57 52 79

CARTAGENA:
Municipal of Tourism
Ayuntamiento
Tel. 50 64 83

PUERTO DE MAZARRON:
Municipal of Tourism
C/ San Hilario — Tel. 59 44 26

SANTIAGO DE LA RIBERA
— SAN JAVIER:
Municipal of Tourism
Paseo de Colón
Tel. 57 11 16

SAN PEDRO DEL PINATAR:
Municipal of Tourism
Avda. Dr. Artero Guirao
(Ayuntamiento(Tel. 18 06 61

Touristic Initiative Centers

CARTAGENA:
C/ Castellini, 5 —Tel. 50 75 49

ISLA PLANA - LA AZOHIA:
Isla Plana (Cartagena)
Tel. 59 47 78

LA MANGA:
Plaza Bohemia
Tel. 56 30 96 - 56 37 24

MURCIA:
C/ Junterones, 14
30008 Murcia — Tel. 24 26 77

PUERTO DE MAZARRON:
Carretera. Edificio Bahia Mar. 20

MURCIA: A SPECIAL SECTION

TRADE MISSION TO THE UNITED STATES

Sponsored by Instituto de Fomento de la Región de Murcia

PARTICIPATING COMPANIES

COVEMUR S.A.

COVEMUR, S.A.
- Avda. Mario Spreafico, s/n
  ARCHENA (Murcia)
  Spain
- Phone (34-68) 670620-671162
- Telex 67691 LOLI-E

PRODUCT LINES
- Natural mushrooms

Euro CAVIAR

EUROCAVIAR, S.A.
- Poligono Industrial Buenavista
  ALJUCER (Murcia)
  Spain
- Phone (34-68) 267000
- Telex 67606 ECMU
- Fax (68) 267700

PRODUCT LINES
- Mujol Caviar

BRANDS
"EUROCAVIAR"

VECONSA
VEGETALES CONGELADOS S.A.

VEGETALES CONGELADOS, S.A. (VECONSA)
- Camino del Olivar, s/n
  ALGUAZAS (Murcia)
  Spain
- Phone (34-68) 620201-620642
- Telex 67252 VECO-E

PRODUCT LINES
- Mandarines
- Broccoli
- Cauliflower
- Artichokes
- Strawberries

CONSERVAS FERNANDEZ, S.A.

CONSERVAS FERNANDEZ, S.A.
- Diputacion de la Copa
  BULLAS (Murcia)
  Spain
- Phone (34-68) 652255
- Telex 67211 CFSL-E

PRODUCT LINES
- Artichokes
- Tomatoes
- Satsumas
- Peaches
- Apricots

ESCAMEZ

PEREZ ESCAMEZ HERMANOS, S.A.
- Avda. de Murcia s/n
  BULLAS (Murcia)
  Spain
- Phone (34-68) 652011
- Telex 67210 ELVI-E
- Fax (68) 652103

PRODUCT LINES
- Mandarines
- Apricots
- Tomatoes
- Peaches
- Pimientos
- Artichokes

BRANDS
"EL MENSAJERO"
"EMPRESS"
"ESCAMEZ"

ESTEBAN
CONSERVAS ESTEBAN S.A.

CONSERVAS ESTEBAN, S.A.
- Carril de los Penchos, s/n
  ALBATALIA (Murcia)
  Spain
- Phone (34-68) 295212
- Telex (68) 67808 JF

PRODUCT LINES
- Red peppers
- Artickokes
- Tomatoes
- Apricots

BRANDS
"ESTEBAN"
"ZARAGOZANA"
"ANABEL"

CONSERVAS Mundi

CONSERVAS MUNDI
FULGENCIO HERNANDEZ, S.A.
- P.O. Box 93
  MOLINA DE SEGURA (Murcia)
  Spain
- Phone (34-68) 610500
- Telex 67183 MNDY E

PRODUCT LINES
- Peaches
- Pears
- Apricots
- Vegetables
- Fruit Salads
- Nectars

BRANDS
"MUNDI"

MOLINERA

HERNANDEZ PEREZ HERMANOS, S.A.
- Avda. Ciudad de Almeria, 34
  MURCIA
  (Spain)
- Phone (34-68) 258311
- Telex 67047 MOLIN

PRODUCT LINES
- Mandarines
- Artichoke hearts
- Pimientos
- Fruits

BRANDS
"LA MOLINERA"
Subsidiaries: MOLINERA TRADING (New York)

Halcón

MANUEL GARRIDO FERNANDEZ, S.A.
- CAMPOS DEL RIO (Murcia)
  Spain
- Phone (34-68) 650050
- Telex 67134
  Fax (68) 650222

PRODUCT LINES
- Artichokes
- Pears
- Mandarines
- Tomatoes
- Nectars

BRANDS
"HALCON"

Prieto

INDUSTRIAS PRIETO, S.A.
- C/ Juan Antonio Prieto, s/n
  MOLINA DE SEGURA (Murcia)
  Spain
- Phone (34-68) 610250
- Telex 67048-67544 PRIET E
- Fax (68) 614656

PRODUCT LINES
- Mandarines
- Artichokes
- Pimientos
- Tomatoes

JOSE HERNANDEZ PEREZ E HIJOS, S.A.
- Avda. Teniente General Gutierrez
  Mellado, 9 Edif. Centrofama, 1° pl
  P.O. Box 3019
  MURCIA
  Spain
- Phone (34-68) 249050-249004
- Telex 67309 COMU-E
- Fax (68) 244649

PRODUCT LINES
- Vegetables Preserves
- Fruit nectars

PRODUCTOS Jupema

JUAN PEREZ MARIN, S.A.
- P.O. Box 203
  MURCIA
  Spain
- Phone (34-68) 260211
- Telex 67095 VEGET-E

PRODUCT LINES
- Olives
- Gherkins

BRANDS
"PRODUCTOS JUPEMA"

AGRUCAPERS, S.A.

AGRUCAPERS, S.A.
- Ctra. de Lorca, km. 2.300
  AGUILAS (Murcia)
  Spain
- Phone (34-68) 410450
- Telex 67129-67108 CAPER E
- Fax (34-68) 412955

PRODUCT LINES
- Capers
- Olives
- Gherkins
- Silverskin onions
- Green pepper
- Pickles

MULEÑA

BLAYA MONSALVE HERMANOS, S.A.
- Ctra. de Caravaca, s/n
  MULA (Murcia)
  Spain
- Phone (34-68) 660767
- Telex 67888 BMSL E

PRODUCT LINES
- Artichokes
- Pimientos
- Tomatoes

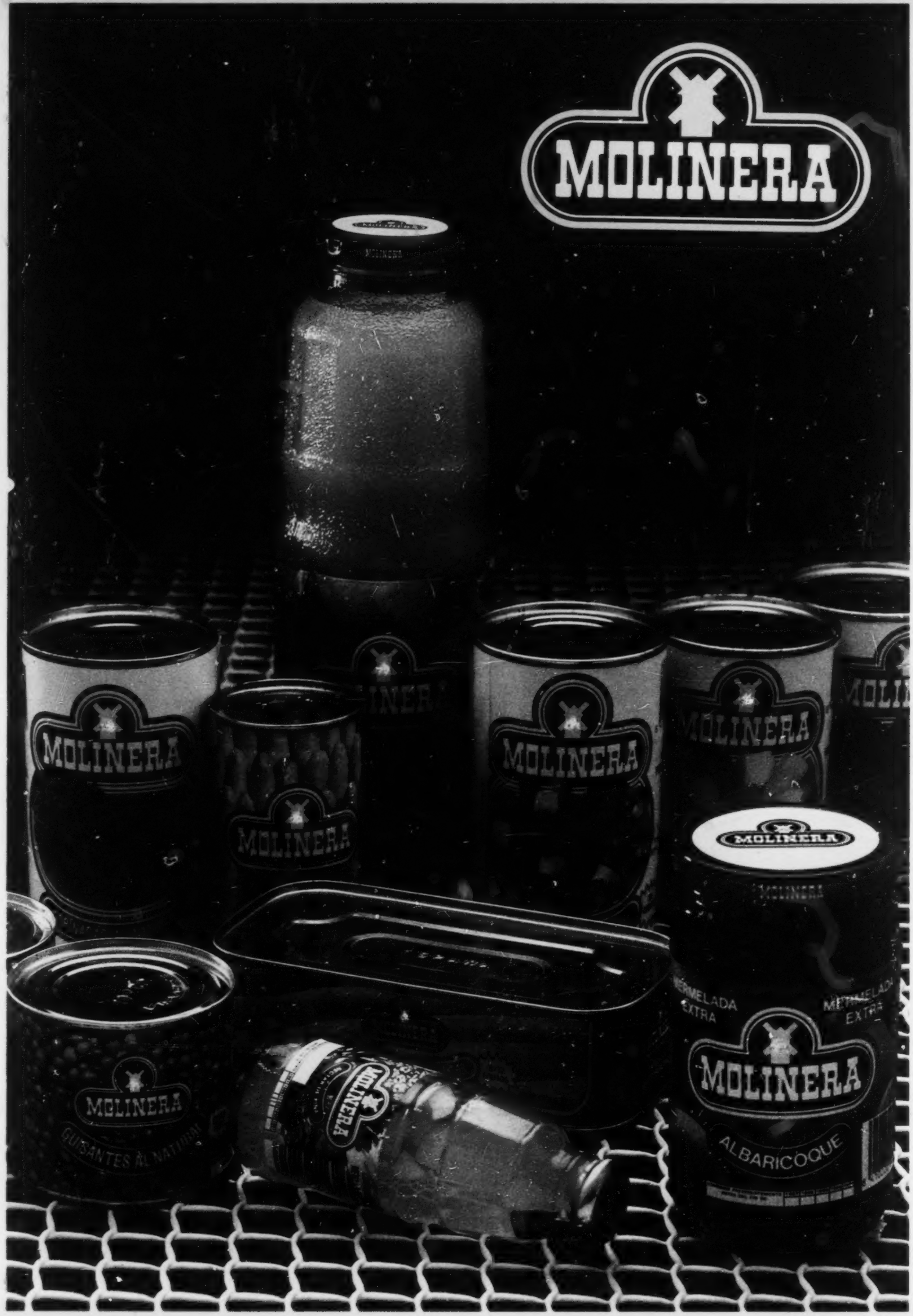
BRANDS
"MULENA"

COMUNA

COMUNA, S.A.
- Avda. Teniente General Gutierrez
  Mellado, 9 Edif. Centrofama, 1° pl
  P.O. Box 3019
  MURCIA
  Spain
- Phone (34-68) 249050-249004
- Telex 67309 COMU-E
- Fax (68) 244649

PRODUCT LINES
- Satsuma Mandarin
- Ready to serve meals

BRANDS
"COMUNA"


MOLINERA
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GUISANTES AL NATURAL
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MERMELADA EXTRA
MERMELADA EXTRA
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FROM THE NATIONAL TOURIST OFFICE OF SPAIN

Washington Portrait in Spain

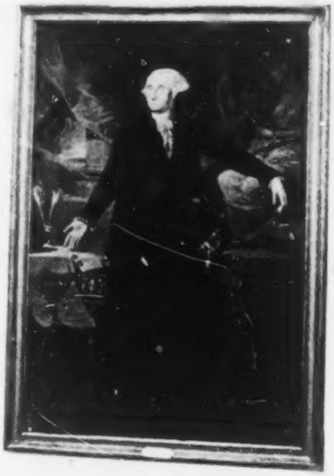
This 1796 portrait, in a magnificent Madrid museum, may be the only painting of Washington in Spain.

By Pancho Shiell

A 1796 portrait of George Washington which was a gift to a minister of King Carlos IV and may be the only original painting of Washington in Spain, is in the collection of the museum of the Royal Academy of Fine Arts of San Fernando in Madrid, which recently opened nine additional exhibit rooms to the public. This magnificent museum, which had been entirely closed to the public for twelve years, reopened last November with some 1,500 paintings and over 800 sculptures on permanent display. The collection, considered the second most important in Spain after the Prado, includes a wealth of treasures by Spanish artists such as El Greco, Goya, Zurbarán, Murillo, Sorolla, Cano, Velázquez, Coello and Ribera, as well as Italian and Flemish masters.

The nine additional rooms which have just opened are devoted to 18th, 19th and 20th century Spanish artists (including a series of Picasso engravings) and to 17th and 18th century Italians, as well as to some works by members of the Royal Academy. Of particular interest to Americans is the portrait of George Washington, painted in Philadelphia in 1796 by Venetian-born Joseph Perovani, who was influenced by the style of presidential portraitist Gilbert Stuart. The painting commemorates a 1795 agreement establishing commercial relations between Spain and the United States, providing for free navigation of the Mississippi by U.S. and Spanish citizens, and defining the boundaries between U.S. and Spanish territory. In the painting Washington is pointing to the treaty, which was signed by Thomas Pinckney and "El Principe de la Paz," (The Prince of Peace), one of several titles of the chief minister plenipotentiary of King Carlos IV, Manuel de Godoy, a title bestowed on him for his negotiation with France of the Treaty of Basel. (The other document at Washington's fingertips in the painting is a "Plan of the City of Washington, State of Maryland.") Washington had sent Pinckney to negotiate the treaty with Godoy, and the painting was a gift to Godoy for his own collection—whether directly by Washington or by the Spanish ambassador in Philadelphia is not known. Later Godoy, who had a fascinating and rather checkered career, fell from grace and his collection wound up at the Academy. (Also in the Academy's collection is a painting of Godoy by Goya).

The Real Academia de Bellas Artes de San Fernando was founded in 1744 during the reign of King Felipe V, and its collection grew with successive donations of priceless works by member artists and collectors. In addition to the works on permanent display in the museum, the Academy also presents special expositions, which in the immediate future include the works of Victorio Macho (Nov. 10-30); and the collection of Baron Thyssen (Dec. 14 through Feb. 1988).



IN PEROVANI'S PAINTING, WASHINGTON POINTS TO THE TREATY WITH SPAIN AND TO A PLAN FOR THE CITY OF WASHINGTON.

The Academy and Museum are housed in a splendid 18-century palace, which was declared a historical-artistic monument in 1971. It is located at Calle Alcalá, 13 (just east of Puerta del Sol). The museum is open Tuesday through Saturday, 9 a.m.-7 p.m. and Sunday and Monday, 9 a.m.12 p.m. (Summer schedule, July 15-Sept. 15, 1988, 9 a.m.-2 p.m. daily). Note that it is open on Mondays, when the Prado and other major museums are closed. Admission price: 200 pesetas (about $1.60).

Multilingual Guides Give Tourists On-the-Spot Information, Assistance

Visitors to Madrid are enjoying a new and personal tourist service right in the streets and squares of the city. Covering areas most frequented by tourists, multilingual young men and women who are tourism professionals are providing visitors with on-the-spot information, explanations, assistance and suggestions. They are easily recognizable by their yellow and navy blue uniforms bearing the letter "I" (the international symbol for "Information") and the insignia of the Tourist Board of the City of Madrid, which sponsors the program. The slogans "For Your Information" and "Discover Madrid With Us" well define their services.

Experts on Madrid, the congenial "roving hosts" provide information about monuments, museums and an abundance of places of interest, as well as accommodations, shopping, cultural activities, gastronomy, recreation, nightlife, excursions, and useful addresses. The four essential zones that they "patrol" are: 1) Plaza de España /Gran Via/Plaza de Callao; 2) Puerta del Sol / Preciados / Plaza del Carmen / Plaza de Callao; 3) Plaza de Oriente/Bailén/Plaza Mayor/Puerta del Sol; 4) Paseo del Prado/Paseo de Recoletos.

This service is in effect during the main tourist season from 10:00 a.m. to 2:00 p.m. and 6:00 to 8:00 p.m.

In addition to providing visitors to Madrid with information and assistance, the program also serves as a source of input to the Tourist Board for visitors' suggestions, comments and impressions.

Telephoning Worldwide Easy at Madrid Center

Madrid's modern **Telefónica** (Central Telephone Exchange) at Plaza Colón is open 24 hours with multilingual operators to assist in placing phone calls worldwide. (Calls can be paid for with Visa or MasterCard). The center features the AT&T USA DIRECT service with immediate connections to U.S. operators for placing calls billed either collect or to an AT&T card. Private rooms for conference calls are also available. The telex department, open from 9 a.m. to 9 p.m., will also receive and hold telexes without prior arrangements. They can be sent to the number 41663 or 41664, "Attention: (your name)." To inquire if you have received telexes, phone 410-3186 or 410-2744.

Among Madrid's other major communications centers are the Main Post Office (Plaza de la Cibeles) and the Telefónica Building, on the Gran Via.

Major Zurbarán Exhibition Now at New York's Metropolitan Museum

A major exhibition of paintings by the 17th-century Spanish artist Francisco de Zurbarán is now open to the public at New York's Metropolitan Museum of Art through December 13th, under the sponsorship of Banco de Bilbao.

One of the supreme masters of the Andalusian school, Zurbarán was born in Extremadura in 1596 — a contemporary and sometime rival of Velázquez. At the age of 32 he was appointed painter to the royal court of King Felipe IV.

Zurbarán's mystical approach to his subjects took a different form from the better known religious painters such as El Greco, whose distorted figures were forerunners of 20th-century expressionism. In contrast, Zurbarán's spare, restrained paintings of saints and miracles were masterpieces of meditative artistry and simplicity, precursors of certain modern abstract artists. The exhibition rides on the crest of a new relevance and major revival of interest in Zurbarán's work.

The exhibition is a result of negotiations between Spain's Minister of Culture, Javier Solana, and José Antonio Sánchez de Asiaín, president of Banco de Bilbao. The 65 works being shown are on loan from museums and private collections in Spain (including the Prado), the United States, and other countries.

Celebrating the opening was a gala preview attended by distinguished guests from the U.S. and Spain. Symposia and lectures on 17th-century painting are being conducted by international art experts.

Banco de Bilbao was incorporated in Spain in 1857 and operates 1625 domestic branches plus 40 overseas branches, subsidiaries and representative offices, with a total of 17,000 employees.

On leaving the Metropolitan, the exhibition will travel to Paris.

Electronic Signs Announce Local Events, Facilities

DISCOVER MADRID WITH US
i INFORMATION TO TOURISTS
Ayuntamiento de Madrid

New electronic signs installed in key locations in Madrid and other cities provide local **tourist information and news** in Spanish, English and French. Fed by a central computer system that is updated daily, they announce schedules with graphic descriptions of a variety of local events and facilities of interest to visitors. There are 21 of them in Madrid at locations including Plaza de la Cibeles, Paseo de la Castellana, Plaza de Colón, Plaza Bilbao, Plaza de España, Plaza Callao, etc. These signs have also been installed in Seville, Málaga, Torremolinos, Gerona, Lloret de Mar and Figueras.

A Modern Parador in a Beautiful Mediterranean Setting

Some of Spain's National Paradors are restored ancient castles, and others, such as the Parador Costa Blanca in Javea, are modern structures built in ideal out-of-the-way resort locations.

In a lovely garden setting right on a sandy beach enclosed by two capes, the Parador Costa Blanca has 65 rooms, all with balconies and enchanting views of the Mediterranean. Guests enjoy water sports, fishing, swimming in the pool, hiking, and dining in the fine restaurant, which features regional cuisine including a variety of delicious fresh seafood dishes.

In the adjacent town of Javea, Thursday is the lively and colorful market day, and there is a fish auction every morning at the harbor dock near the boating club. In the town's medieval quarter is the 16th-century gothic Church of San Bartolomé.

Located half way between Valencia and Alicante, this Parador makes an ideal base for excursions to countless places of interest. Less than ten miles up the coast is Denia, a charming port-resort town from which you can take a ferry cruise to the island of Ibiza in just three hours. Down the coast is Altea, a seaside jewel of a town dating to Phoenician times. From its quaint main square the blue of the Mediterranean is intensified in contrast to the brilliantly whitewashed houses and fortress walls.

Inland from Altea is Guadalest, one of the most picturesque towns in the province of Alicante. Spectacularly situated on a high rock formation, it still has the flavor of its 13th-century Moorish past.

And further down the coast — about half way between the Parador and the city of Alicante, is the international jet-set resort city of Benidorm, offering both fun in the sun and nightlife galore.

For further information contact the National Tourist Office of Spain nearest you.

COMUNA
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ESPAÑOLES

Fabricante de Conservas
de Frutas y Vegetales

Gonzalez Adalid 2. -4.
30001 Murcia

Telf.: 21 21 01
21 26 07
P.O. Box 3019
Telex 67309 Comu

NAMES IN THE NEWS

THE DUKE OF BADAJOZ has been invited to join the International Council of the United States Information Agency (USIA).

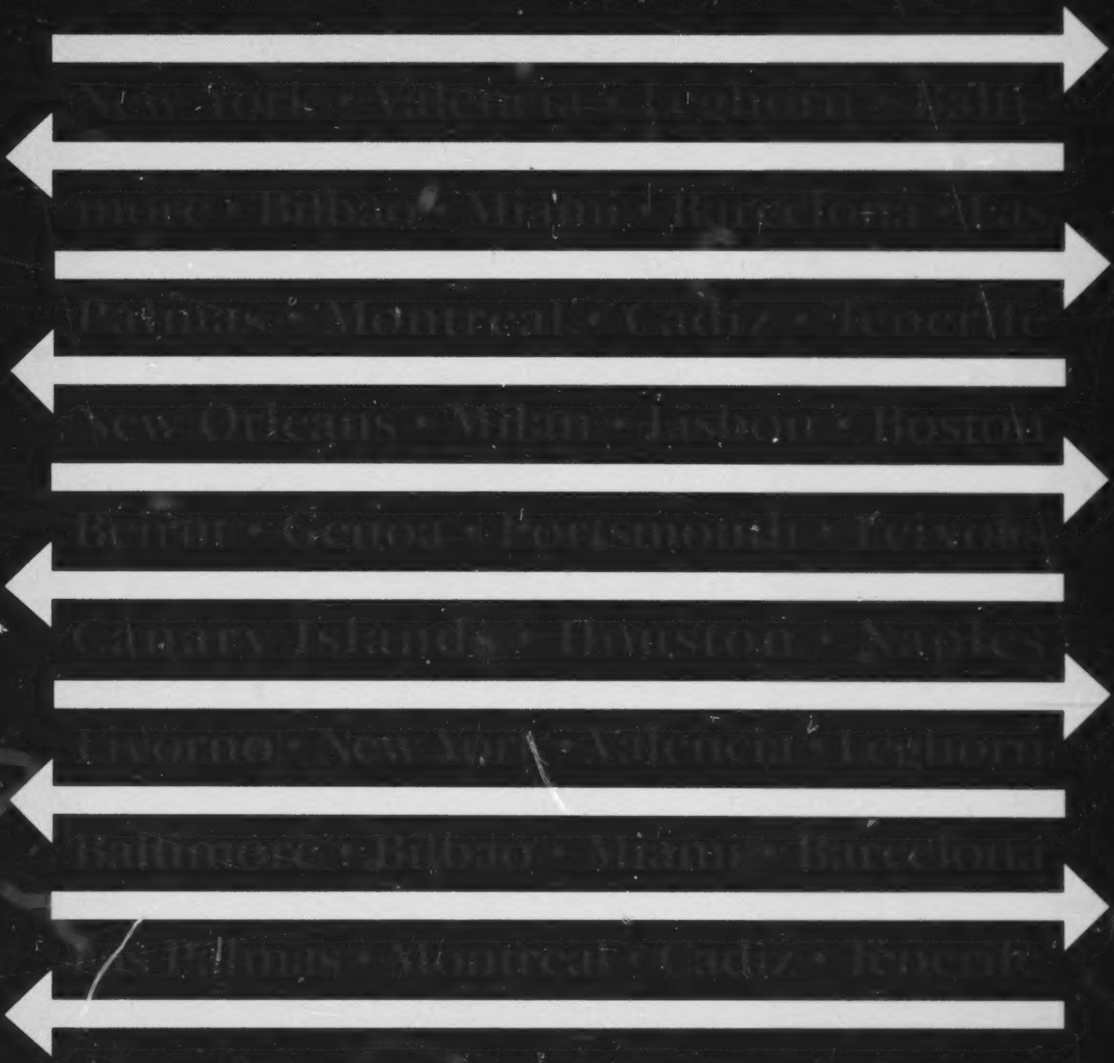
JUAN CARLOS RECODER has been appointed as Spain's new Deputy Commercial Counselor in New York. He is a specialist in foreign investments in Spain.

FERRAN LEMUS has been appointed Executive Director of "Barcelona 92," a company formed by the Consorcio de la Zona Franca of Barcelona. His task is to promote industrial development in that area.

RAMON DE SARRIERA, 2nd Vice President of the Chamber and head of Banco de Bilbao's New York office, has been highly praised for the Zurbarán exhibition at the Metropolitan Museum of Art, which was funded by Banco de Bilbao.

MIGUEL JORDANA has been named to head the New York office of the Spanish law firm of J. & A. Garrigues, succeeding Alvaro Sainz.

JOSE LUIS SOLAGUREN, better known as "José Luis," is still expanding his restaurant business in Spain and the U.S. An ambassador of Spain's fine food, José Luis recently opened the "Biscayne" Restaurant in Houston, Texas (2022 Wilcrest Drive).


New York • Valencia • Leghorn • Balti-
more • Bilbao • Miami • Barcelona • Las
Palmas • Montreal • Cadiz • Tenerife
New Orleans • Milan • Lisbon • Boston
Beirut • Genoa • Portsmouth • Tarragona
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Pardon us for repeating ourselves.

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At the risk of repeating ourselves, our customers like what we do. And we've been doing it for almost a century.

Our modern, efficient container vessels transit the route between North America and Spain, Italy and the Mediterranean with regular and reliable frequency.

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General Agent
Trasatlantica Agency (USA) Inc.
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Como preparar un viaje comercial a los Estados Unidos

"Antes de embarcarse en un proyecto tan ambicioso como es el de atacar el mercado estadounidense, hay que recabar la mayor información posible sobre el país y su economía."

Por Juan Carlos Llopart

Poco hay que explicar respecto a la importancia de Estados Unidos como primera potencia económica mundial, y como socio comercial de primera magnitud. El lograr introducir un producto en un mercado tan competitivo como es el americano, es en sí mismo, un logro importante, pero comercialmente hablando, y a nivel de rentabilidad, puede tener una enorme influencia, en la estructura y futuro de la empresa española, debido a la potencialidad y capacidad de desarrollo que este mercado tiene. Ni que decir tiene que es necesario afrontarlo con la seriedad, atención, y preparación debida, por lo que, a continuación, daremos unos consejos prácticos de como encauzar la estrategia comercial de una empresa española de tipo medio en Estados Unidos.

Necesidad de documentarse adecuadamente

Antes de embarcarse en un proyecto tan ambicioso como es el de atacar el mercado estadounidense, hay que recabar la mayor información posible sobre el país y su economía.

Es necesario recoger información sobre:

— información macroeconómica

— el sector concreto de que se trate: análisis de la oferta y la demanda

— sobre ferias

— sobre asociaciones

— aranceles y estadísticas

— detección de importadores, agentes y distribuidores

— análisis de la competencia y de los precios

— sistemas de transporte, almacenaje y distribución

— fuentes de financiación: Conocer qué bancos españoles están establecidos en Estados Unidos y qué bancos americanos lo están en España

Este tipo de información puede ser facilitada por las Cámaras de Comercio, tanto locales como en E.E.U.U., por el I.N.F.E. y las Oficinas Comerciales, o bien, por los organismos relacionados con la Embajada de Estados Unidos en España, así como, por los organismos americanos con base en su propio territorio.

Asesoramiento del I.N.F.E., cámaras de comercio, y organismos de comercio exterior de las comunidades autónomas:

Un viaje a Estados Unidos puede enfocarse tanto de forma privada como contando con la ayuda de organismos tales como las cámaras de comercio, I.N.F.E., y organismos competentes de las Comunidades Autónomas.

El I.N.F.E. ha desarrollado los siguientes programas, que se detallan en los anexos 1-5:

1. Programa de conciertos de promoción multisectorial
2. Programa de consorcios de exportación
3. Programa de apertura de mercados y promoción de ventas
4. Programa de establecimiento de empresas españolas en paises de la O.C.D.E.
5. Programa de ayuda a nuevos exportadores

Para la penetración inicial de un mercado, el instrumento del "viapro" o de la misión comercial, es ideal, ya que descarga al exportador español de los trabajos preparatorios de su visita, permitiéndole concentrarse en la promoción y venta de sus productos.

El "viapro", o viaje de prospección, se concede a modo individual a empresas exportadoras españolas, y permite particularizar al máximo un programa de visitas que es confeccionado por las Oficinas Comerciales de España en Estados Unidos (Washington, New York, Miami, Los Angeles y Chicago), de acuerdo con las indicaciones de la empresa española, contactándose con el perfil de compañia americana deseado.

La misión comercial es, asimismo, un instrumento de promoción válido, al agrupar a un conjunto de empresas de un mismo sector que deciden atacar un determinado mercado al mismo tiempo. Este tipo de instrumento, permite una acción a mayor escala, si se enfoca como una muestra global de productos (pequeña exposición, desfile de modas, etc.), sino, se convierte en una serie de "viapros" superpuestos, donde cada exportador tiene su programa particularizado.

Nuestra experiencia nos indica que, tanto el "viapro" como la misión comercial, abren puertas, dan experiencia comercial, y permiten un seguimiento, que es donde propiamente nace la relación comercial, una vez desarrollado el contacto efectuado durante el viaje.

Sin embargo, es necesario resaltar, que el "viapro" se muestra como un instrumento promocional más util, al permitir una preparación más cuidada, y lograrse un mayor contacto personal con el cliente potencial.

JUAN CARLOS LLOPART se formó en Madrid, donde obtuvo los títulos de licenciado en Derecho y graduado en Ciencias Empresariales.

La solicitud de un "viapro" o misión comercial (anexo nº 6) se puede realizar en:

Instituto Nacional de Fomento a la Exportación (I.N.F.E.)
Departamento de Planificación, Prospección y Apoyo
Paseo de la Castellana 14
28046 Madrid
Teléfono: 4312700
Telex: 44838 IECE-E

Por otra parte, es, asimismo de interés, informarse en el Departamento de Ferias del I.N.F.E., del programa de pabellones nacionales en ferias en el extranjero, donde el exportador tendrá, a través de una subvención, la oportunidad de presentar sus productos en el lugar adecuado, y además, de estar arropado en un pabellón español, con el importante refuerzo de imagen que ello supone.

También el mismo instituto, apoya participación de forma individual, de compañías españolas en ferias, por lo que ésta es, de la misma manera, susceptible de ser solicitada.

Concreción previa de los objetivos a conseguir

Estados Unidos es un mercado de gran importancia, en el que no se deben cometer errores. Una mala comercialización inicial de un producto, puede marcarlo para siempre con una determinada etiqueta, y hacer que sea identificado con apelativos tales como: barato, de baja calidad, de uso propio y exclusivo de una determinada comunidad racial (i.e., sólo para la comunidad hispana, la cual no goza de una especial buena reputación en Estados Unidos). Hay que resaltar que no es conveniente definir el origen de un producto como español, utilizando el termino inglés "Spanish", por las confusiones a que puede conducir, y hay que sustituirlo por la frase "from Spain" o "of Spain". Este tipo de errores, hace que la vida de un producto en el mercado, su difusión, y su distribución, se acorte considerablemente. Además, en un mercado tan enorme y especializado como el estadounidense, donde hay que verdaderamente luchar para hacerse con un pequeño segmento donde encajarse, es conveniente comenzar con buen pie desde el principio.

Por ello, el primer objetivo básico de un viaje comercial a Estados Unidos, ha de ser, el tener una opinión de primera mano del mercado, y a partir de ella, y sin excesivas prisas para realizar la primera venta, confeccionar una estrategia de "marketing" para atacarlo. Un primer viaje comercial debe tomarse como una prospección del mercado donde se fijan unos contactos previos que se desarrollarán con posterioridad.

"Estados Unidos es un mercado de gran importancia, en el que no se deben cometer errores."

Algunas empresas, para evitar problemas como los anteriormente mencionados, deciden probar sus productos en mercados con estructuras similares al estadounidense, tales como el canadiense, donde se puede hacer un test del sistema de comercialización a seguir, y donde, al ser un mercado 10 veces menor al de Estados Unidos (25 millones de habitantes), se puede aprender de los errores conceptuales iniciales, sin que, por ello se comprometa toda la campaña de promoción del producto en Norteamérica. Si se parte de cero y el viaje que se va a realizar es el primero a los Estados Unidos, lo primordial es averiguar si el producto en cuestión es comercializable en el país, es decir, no está sujeto a restricciones tanto cualitativas (homologaciones, normas de calidad, aprobaciones previas, normas de seguridad, etc.) como cualitativas (cuotas a la importación, licencias de importación); en una palabra, es necesario que el producto se ajuste a las regulaciones vigentes. Una vez hecho esto, entonces hay que preocuparse de aspectos tales como: patentes, empaquetado, sistema de transporte, almacenaje de la mercancia en el país, etc.

Sólo posteriormente, cuando todos estos aspectos se han solucionado, entonces es cuando hay que ocuparse de algo tan fundamental como es la distribución del producto. Una vez cumplidos los prerequisitos previamente mencionados, es cuando se debe atacar el objetivo más importante de un primer viaje comercial: lograr detectar los canales de comercialización ideales.

En un primer estadio, un sistema eficaz es encontrar un agente que represente a la compañía española en el país. Dado el tamaño y la población de Estados Unidos, es recomendable contactar con un representante que tenga oficinas repartidas por toda la geografia estadounidense, algo, en muchos casos, poco frecuente, por lo que es interesante parcelar el pais, al menos en 4 partes: Noreste, oeste, centro norte, y sur (recuérdese que ésta es una nación donde existen 3 horas de diferencia entre costa y costa) y, dar cada una de estas zonas, a un agente diferente, lo que evita que areas del pais distintas de la ubicación del representante queden mal cubiertas.

Es importante desarrollar una buena relación, tanto personal como comercial, con el agente, que haga que se identifique con su casa matriz, y le convierta en alguien que cree en el producto que comercializa y que lo ve como algo propio.

Es asimismo importante, la creación de imagen de marca, ya que muchos exportadores, sin duda intentando cubrir un objetivo de ventas, pierden su marca en beneficio del importador exclusivo americano. Esta práctica comercial, sin ser en absoluto desechable, y en algunos casos recomendable, va, a medio o largo plazo, a condicionar la comercialización de productos españoles en Norteamérica, ya que, al estar en manos del importador americano, es éste el que conoce los canales de distribución, y no así la empresa española. Además, ésta no se crea un prestigio que le posibilite en un futuro, nuevos contactos comerciales. Por otra parte, si al cabo de un tiempo el importador estadounidense encuentra una tercera compañia que le suministre más barato con igual calidad dejará la línea de productos españoles, y la empresa española deberá volver a empezar a distribuir su producto en el mercado prácticamente desde cero.

Por todo ello, es conveniente el fijar como objectivo final de una visita comercial a Estados Unidos, el establecerse en el país como una compañía subsidiaria de la casa matriz española. Esto no solamente elimina intermediarios, sino que permite a la firma española, controlar la importación y distribución del producto en Estados Unidos.

Apesear de la fuerte propensión de la economía americana a la importación existe una cierta aversión a complicarse la vida con papeleos burocráticos, por lo que hay una tendencia a suministrarse principalmente de fuentes internas, eliminando el proceso de la importación, por lo que estar establecido en el país, puede ser una ventaja fundamental a la hora de comercializar el producto en Estados Unidos.

La apertura de una oficina de ventas, quizás en la costa este, punto natural de entrada de los productos europeos, que importe y almacene la mercancía, y posteriormente la suministre por canales, ya internos, a agentes o distribuidores en cada uno de los estados, parece una fórmula llamada al éxito, aunque también hay que considerar inversiones tales como: franquicias, licencias, "joint-ventures", fabricación o ensamblado en el país, etc.

Preparación del viaje

Independientemente de que se cuente con un agente en los Estados Unidos, o que el viaje se haga sin apoyo oficial, es conveniente contactar con las Oficinas Comerciales y Cámaras de Comercio españolas en Estados Unidos. Estos organismos, están concebidos y equipados para la ayuda al exportador, y cuentan con centros promocionales, divididos por sectores (vino, máquina-herramienta, alimentación, moda, mueble y productos para el hogar) y especialistas por grupos de productos que facilitarán la tarea de detección de los contactos adecuados.

Por ello es necesario y conveniente comunicar la realización del viaje con, al menos, dos meses de antelación, para dar tiempo a estos organismos a planificar su preparación.

Asimismo, es necesario suministrar la mayor información posible sobre el producto, ya que hay que comprender que las personas que van a organizar el programa de visitas en esas oficinas, aunque cuentan con los instrumentos necesarios para ello, no están familiarizadas con dicho producto. Por tanto, es necesario dar información sobre:

- composición, características y cualidades del producto
- sistema de empaquetado
- industrias a las que van dirigidos
- clientes potenciales
- contactos previos, si se tiene alguno
- nombre del agente-representante en caso de que se tenga, ya que siempre es interesante contar con su colaboración
- catálogos en inglés
- precios y condiciones de entrega y pago

Durante todo el proceso de preparación del viaje, es necesario mantener un estrecho contacto con la Oficina Comercial, o Cámara de Comercio, para lograr una adecuada coordinación de todas las actividades, y así, poder cerrar el programa de entrevistas y el itinerario a seguir por el exportador español.

Otro aspecto a cuidar es el de elegir adecuadamente el periodo del año en el que el viaje se va a efectuar, siendo muy necesario hacerlo coincidir con el periodo de compras, la temporada o bien las ferias comerciales más importantes del sector. Para cierto tipo de productos, el periodo donde se realizan las compras es muy corto, y si no se detecta y aprovecha adecuadamente puede echar a perder todas las ventas de una temporada y retrasar el acceso al mercado hasta el próximo año. Herramienta fundamental para la preparación de una viaje comercial es el "mailing", o comunicación a los clientes por correo, de que el viaje se va a realizar.

El porcentaje de respuestas positivas en un "mailing" es aproximadamente del **10%**, índice a todas luces no muy elevado, pero que es suficiente para detectar cuáles de entre los clientes potenciales de un cierto producto están en ese momento activos e interesados en contactar con el exportador español.

Este "mailing", es base para los contactos telefónicos posteriores, absolutamente necesarios, para desarrollar la actividad de ayuda al exportador por parte de la Oficina Comercial de España.

Realización del viaje

Por experiencia, hay que puntualizar que el enviar una persona poco preparada reduce considerablemente la rentabilidad de un viaje comercial. La persona que lo realice, debe estar familiarizada con el producto y con el tráfico de comercio exterior, conocer el idioma del país, y sobre todo tener capacidad para la toma de decisiones en lo referente a, precio, canales de distribución, y en la adaptación del producto al mercado americano.

Se tiene, asimismo que venir con la perspectiva de que este país requiere una importante inversión en promoción y publicidad, gastos que han de considerarse como necesarios, dado lo competitivo de este mercado, y la dificultad que entraña el introducir un nuevo producto.

Es necesario recordar que los usos y costumbres estadounidenses son diferentes de los españoles, por lo que hay que adaptarse a ellos. Citaremos entre otros:

- **La puntualidad:** El hombre de negocios americano tiene por costumbre llegar a las citas con 5 minutos de anticipación.
- **Las tarjetas de visita:** las tarjetas americanas son más pequeñas y estrechas que las españolas. Es conveniente hacerser confeccionar unas nuevas tarjetas en inglés, al estilo americano, ya que es práctica usual, el intercambio inmediato de estas, nada más comenzar una reunión.
- **La indumentaria:** El hombre de negocios estadounidense, a pesar de que, por regla general, es menos exigente en su forma de vestir que el europeo, queda fuertemente impresionado de negociar con alguien que va vestido "a la europea".
- **Ser directo:** El comerciante estadounidense no se anda por las ramas, si le interesa un producto, se lo hara saber inmediatamente. Sea firme y directo en sus afirmaciones.
- **Muestras:** Siempre que el producto lo permita, es de gran importancia traer muestras consigo. Al comprador americano le gusta palpar, y tener un impresión visual del producto.
- **Precios, pesos y medidas:** Recuerde que el sistema que impera en Estados Unidos en lo que respecta a estos conceptos, es diferente al que rige en España. Traiga sus precios expresados en dólares (CIF), sus medidas en yardas, y sus pesos en libras u onzas (sistema imperial británico).

A la hora de realizar el programa de visitas hay que procurar concertar entre 2 y 3 entrevistas al día (siendo una estancia de 3-4 días en cada ciudad en principio suficiente para tener una buena impresión del mercado), dependiendo, entre otras cosas, de la intensidad que la promoción del producto requiera, la complejidad de la relación comercial, y las grandes distancias que suelen caracterizar a las ciudades americanas. Durante un viaje comercial es recomendable realizar un estudio de mercado del producto de que se trate a través de la realización de entrevistas con diferentes perfiles de compañías; por citar un ejemplo, es necesario comprender las funciones que juegan los distintos tipos de empresario americano: agente-representante, importador exclusivo, distribuidor, comisionista, "broker", gran almacén, productor, fabricante, etc. El disponer de una visión global del mercado será de gran importancia a la hora de la selección del canal de distribución adecuado.

Una vez de vuelta a España es cuando se deben tomar las decisiones, trás estudiar detenidamente los resultados del viaje, seleccionar el canal de distribución adecuado, y organizar y planificar la promoción del producto en Estados Unidos, pudiéndose solicitar para ello, las ayudas, anteriormente mencionadas, que el I.N.F.E. concede, pero ha de recordarse que estas ayudas sólo son concedidas al exportador español, y no al importador estadounidense.

Lo que si se aplicaria al importador americano seria el sistema de misión inversa, con motivo de una feria comercial en España, por el que se invita a un grupo de importadores americanos a visitar nuestro pais.

CONTACTOS DE INTERES EN ESTADOS UNIDOS

Oficinas comerciales

Chicago:
500 N. Michigan Ave., S. 1500
Chicago, Illinois 60611
Teléfono: (312) 644-1154
Telex: 028-0253629 COMM SPAIN CGO

Miami:
2655 Le Jeune Road, Suite 1114
Coral Gables, FL 33134
Teléfono: (305) 446-4387
Telex: 807559 OFCOMES MIA

Los Angeles:
350 So. Figueroa, Suite 498
Los Angeles, CA 90071
Teléfono: (213) 628-1406
Telex: 183275 OFCO LA

Nueva York:
405 Lexington Ave., 41st Floor
New York, NY 10017
Teléfono: (212) 661-4959
Telex: 024-421173 OFCO UI

Washington:
2558 Massachusetts Ave. N.W.
Washington, D.C. 20008
Teléfono: (202) 265-8600
Telex: 029-64226 OFCOM UN

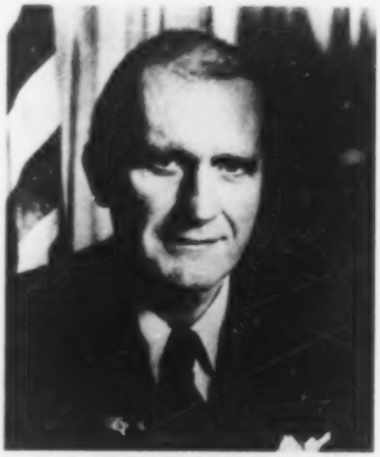
Cámaras de Comercio

Nueva York:
Empire State Building
350 Fifth Avenue, Suite 3514
New York, NY 10118
Teléfono: (212) 967-2170
Telex: 275815 SPAN UR

Chicago:
500 N. Michigan Ave., Suite 1500
Chicago, IL 60601

Miami:
2655 Le Jeune Road, Suite 1114
Coral Gables, FL 33134

Muere el Secretario de Comercio USA



Malcolm Baldridge falleció de una caida de caballo practicando su deporte favorito

Honda consternación ha causado el subito fallecimiento del Secretario de Comercio de los Estados Unidos, cuando se encontraba participando en un rodeo, deporte en el que era un especialista. Baldrige, amigo de esta Cámara, ha sido un personaje clave en la defense del libre comercio en un momento de amenazas proteccionistas. Descanse en paz el malogrado estadista.

Alejandro de Muns presenta una nueva edición del mapa sobre la herencia española en Estados Unidos

El abogado y periodista Alejandro de Muns, profesional con una dilatada experiencia en el mundo de las relaciones entre España y Estados Unidos, ha presentado con motivo de la visita de los Reyes a este país una nueva edición del mapa "La herencia española en EE.UU." El mapa tiene como objetivo ser un impacto visual de la muchas veces desconocida influencia de España en el norte del continente americano, y ha sido entregado personalmente por S.M. el Rey a varios presidentes norteamericanos, así como a importantes mandatarios y personalidades de ambos paises.

La nueva edición del mapa se acompaña de una detallada explicación de los mitos españoles en los distintos estados de la unión.

Felicitamos desde aquí a Alejandro de Muns en su desinteresado esfuerzo en favor de la propagación de la herencia española en Estados Unidos, y por los éxitos obtenidos a través de la cada día mayor difusión del mapa.

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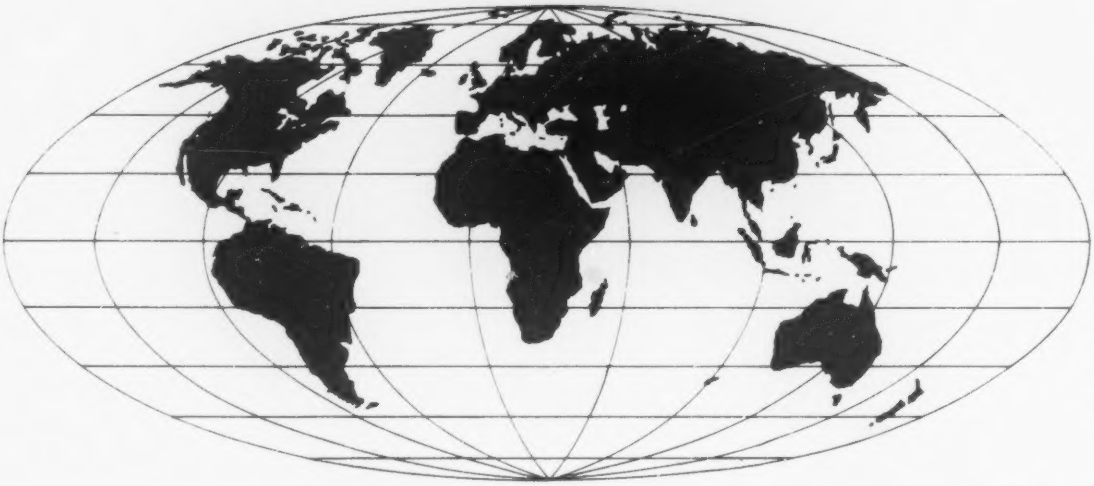

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The Change to 'HS' from 'TSUS' Customs Classification

A trap for the unwary importer?

By Michael H. Greenberg

January 1, 1988 is the target date for the change by the United States from the customs classification system of the Tariff Schedules of the United States ("TSUS") to a new international code called the Harmonized Commodity Description and Coding System, referred to as the Harmonized System ("HS"). The current Washington turmoil over the omnibus trade bill of 1987, of which the HS enabling legislation is a part, could delay implementation—but in any case conversion to HS will happen soon.

At least fifty other nations, including Spain and the other members of the Common Market, Canada, Japan, the Scandinavian Countries, and Switzerland, have signed the HS Convention. The U.S. and its most important trading partners made a commitment at a February 1986 meeting of the Tariff Concessions Committee of the GATT to the January 1, 1988 date as a target for the HS Convention's entry into force. Of course, the U.S. must await Congressional approval before it can formally sign the Convention and implement the HS.

THE HISTORY OF HS

The TSUS in its present form dates to the 1950's. In the 1970's, a movement began to bring the U.S. customs classification system into harmony with those of its trading partners. Most other major trading nations were adherents to a system called the Brussels Tariff Nomenclature (BTN). The U.S decided not to adopt the BTN. In part, this may have been a matter of national pride but the decision probably was more due to the fact that a review of the BTN showed it to be outdated in a number of respects.

Instead, the U.S. and its trading partners embarked on an effort to create a single modern international structure for product classification. The Customs Cooperation Council ("CCC"), a Brussels-based international organization of which the U.S. and its major trading partners are members, spearheaded the effort. The current Customs Cooperation Council Nomenclature (CCCN) was the basis. However, the HS is more detailed and reflects changes in technology, markets and trading patterns.

In August 1981, President Reagan requested the U.S. International Trade Commission to investigate converting the TSUS into the HS format. The proposed conversion was submitted to the President in June 1983 and the Office of the U.S. Trade Representative revised and republished it in September 1984. Finally, in October 1981, a comprehensive revision based upon a review with, and comments of, members of the trades and industries affected, resulted in the basic working document which is before Congress for adoption and implementation.

HS STRUCTURE

The HS is organized into 97 chapters arranged in 21 sections, with each section covering a branch of industry or commerce. For example, Section I covers Live Animals and Animal Products; Section XI Textiles and Textile Articles; Section XII Footwear, Headgear, etc.; and Section XV Base Metals and Products thereof. The basic international system uses six digits to identify items. The U.S. and other advanced industrialized nations will add four more digits (making 10 in all), the first two additional for tariff classification and the last two for statistical purposes.

Because the HS format is so different from the present TSUS format, it is not possible here to go into such differences, many of which involve technical customs law aspects. Suffice it to say that importers should beware of entering the HS era ignorant of its application to their businesses.

U.S. CUSTOMS RULINGS ON HS CLASSIFICATIONS

In a recent notice in the U.S. Treasury Department's Customs Bulletin, the Customs Service announced that it has begun issuing binding classifications not only under the TSUS but also under the HS. Up until the end of August 1987, Customs issued advisory letter rulings on HS classifications. However, these letters emphasized that they constituted information of an advisory, nonbinding character. Now an importer can secure a binding HS classification ruling for a product it imports, which can be challenged if the importer believes the ruling to be wrong.

Importers should not wait until after the HS takes effect to secure binding rulings where questions may otherwise arise on importation. Because of the differences between the TSUS and HS, even though the conversion is intended to be tariff rate neutral, an importer cannot rely upon prior TSUS rulings as necessarily determinative.

It should be noted that once Customs issues a binding ruling, it must give at least 90 days notice of any change in practice. Therefore, the importer can plan its imports with a degree of certainty as to tariff rates

(CONTINUED ON PAGE 62)

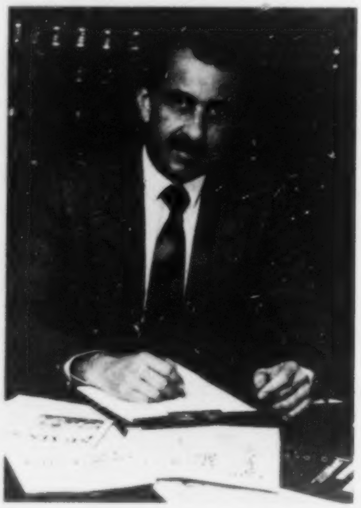
MICHAEL H. GREENBERG, Corporate Secretary and member of the Board of the Spain-U.S. Chamber, is a New York lawyer who is a partner in the firm of Graubard Moskovitz Dannett Horowitz & Mollen, specializing in international trade and commercial law.

MEMBER NEWS

ENTREVISTA CON . . .

Carlos Alfaro

"Cada día hay una mayor interrelación entre el mundo jurídico y el de negocios," dice el fundador del International Lawyers Club, que nos habla de su organización.



Dr. Carlos E. Alfaro es el fundador y creador del International Lawyers Club, que ha despertado un inusitado interés y expectativa en el mundo jurídico internacional de New York.

El Dr. Alfaro se encuentra al frente de Allende & Brea Inc. en New York, representando principalmente intereses argentinos y de España. Graduado en leyes en la Pontificia Universidad Católica Santa Maréa de los Buenos Aires, en Argentina, en 1974 y admitido en Madrid como Licenciado en Derecho en 1981, ha cursado estudios de postgrado en New York University en 1975-76, obteniendo un Master in Comparative Jurisprudence. Es autor de diversos artículos de interés jurídico, Director y Secretario de la Cámara Argentino-Americana de Comercio en New York, miembro del Panel de Arbitros de la American Arbitration Association y participante activo en diversas organizaciones jurídicas internacionales.

¿Que es el International Lawyers Club?

En el año 1975 el Estado de New York autorizó la apertura de sucursales de bufetes extranjeros para la prestación de asesoramiento legal en derecho extranjero. Linklaters & Paines fue la primera oficina que se instalo en Manhattan y la nuestra de Allende & Brea, con casa matriz en la Argentina, la segunda. Al mismo tiempo estabamos abriendo una representación en Madrid.

Ahora existen más de 40 sucursales de bufetes extranjeros, principalmente de países Europeos. El Club agrupa precisamente ahora a dichas oficinas y tiene por fin intercambiar ideas acerca del desarrollo de la profesión y como fuente de conexión con abogados americanos involucrados en transacciones internacionales.

¿Cuando se fundo?

Todo comenzó con un pequeño grupo de abogados extranjeros, trabajando temporalmente en New York, que decidió reunirse cada dos meses como un evento más social que profesional. Cuando cada uno de ellos retornó a su país de origen quedamos en formar un network internacional y yo me hize cargo de New York. Poco tiempo me llevo darme cuenta que el futuro del Club estaba en realidad en tener como base de su membrecia a las oficinas de bufetes extranjeros y no en la idea original. Los resultados me dieron la razón.

¿Cual es el principal objetivo del Club?

Cada uno de esas oficinas que mencionaba actua activamente en el campo tanto legal como el de los negocios, prestando apoyo logistico, de control y de supervisión de las inversiones y acuerdos comerciales de sus clientes. Esto genera un cúmulo de información y de experiencia que a través del Club se intercambia.

Los productores españoles que desean comercializar sus productos en USA tienen en estas oficinas un colaborador ideal que le puede facilitar y dar seguridad al desarrollo de sus actividades en este país.

¿Se encuentra España representada en el Club?

Si, de dos formas distintas; una es la oficina de Garrigues & Garrigues, exclusivamente de España y la otra es la nuestra de Allende & Brea que representa a Hispano-America en general. Me guestaria ver más bufetes españoles en New York y en ello estoy abierto a colaborar con ellos. Penetrar en el mercado Americano tiene sus problemas y para solucionarlos deben existir organizaciones como esta en el campo legal o la Cámara en el comercial.

Esto de las oficinas es muy interesante. ¿Podría definir un poco más la labor que desarrollan?

Sin nungun problema. A nivel de inversor individual en la creación de off-shore trusts, holding companies fuera de USA dentro del marco de asesoramiento general en materia de sucesiones, supervisión y control de las inversiones pasivas etc. A nivel de empresa, asistencia legal en materia de exportaciones, contratos de distribución internacionales, estructuras empresariales internacionales, control de gestión de las inversiones, etc.

¿Cómo se observa el panorama jurídico español desde las firmas legales americanas?

En un gran proceso de cambio. Aquí es donde las últimas necesitan apoyo y asesoramiento de los bufetes españoles para mantenerse actualizados en los cambios legislativos y demas regulaciones.

¿Usted que ha tenido experiencia en España, cuales son las diferencias que se observan entre los metodos de actuar de los abogados españoles y los norteamericanos?

España ha cambiado muchisimo y seguira cambiando en el futuro y esto se ha reflejado en el campo jurídico donde algunos estudios jurídicos han alcanzado niveles similares de eficiencia con los estudios americanos. Ahora bien, en todo

(CONTINUA EN LA PAGINA 60)

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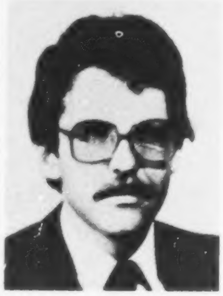

EXPORTACION A LOS ESTADOS UNIDOS:

Subsidiaria/Centro de Distribución

Las ventajas de esta alternativa exportadora frente al agente comisionista y el distribuidor

Por Michael Mensik

Toda compañia extranjera interesada en comercializar sus productos en el mercado norteamericano, normalmente elige entre last dos figuras básicas: agente comisionista o distribuidor. En esta elección, la compañia extranjera debe considerar una variedad de factores de indole comercial, financiero y legal. Estas alternativas tradicionales eventualmente se pueden manifestar insatisfactorias, induciendo a la compañia extranjera a considerar la posibilidad de establecer una sucursal o subsidiaria que opere como centro de distribución en los Estados Unidos.

Sin embargo, esta última figura a veces se presenta como financieramente impracticable, particularmente para pequeñas o medianas compañias extranjeras. Tras describir brevemente las referidas alternativas, este artículo trata una variante de la última de ellas, la subsidiaria/centro de distribución, de menor carga financiera y que se ha mostrado especialmente atractiva para pequeñas y medianas compañias extranjeras.

Esta alternativa pretende aprovechar las ventajas derivadas de la existencia de compañias creadas en los Estados Unidos durante los últimos años para ofrecer servicios básicos de dirección, almacenamiento, transporte y de administración tanto a fabricantes nacionales como extranjeros a unos costes determinados. En esencia, estas compañias permiten a los fabricantes compartir el coste de tal infraestructura básica. También pueden ofrecer al fabricante extranjero valiosa información de mercado requerida para entrar de forma efectiva en el mercado de los Estados Unidos.

La operación típica de la figura subsidiaria/centro de distribución puede resumirse de la siguiente forma:

1. La compañia extranjera establece una subsidiaria en los Estados Unidos, normalmente en el Estado de Delaware. Como indicamos anteriormente, aunque antes de la reforma fiscal de 1986 la compañia extranjera podria encontrar ventajoso fiscalmente el establecer una sucursal en los Estados Unidos en vez de una subsidiaria, tales ventajas fiscales han sido eliminadas esencialmente por la reforma tributaria de 1986. La compañia extranjera puede establecer una subsidiaria norteamericana en un corto periodo de tiempo y a costes legales razonablemente bajos.
2. La compañia extranjera nombra a su subsidiaria como distribuidor para parte o todos los Estados de la Unión, sobre bases de exclusividad o no. Dado que la subsidiaria actuará como un distribuidor (i.e., aceptando pedidos y sirviéndolos de su propio inventario de mercancia mantenida en los Estados Unidos), la compañia extranjera no debe estar sujeta al impuesto norteamericano sobre la renta por los rendimientos obtenidos por la subsidiaria.
3. La subsidiaria contrata a una compañia-centro de distribución independiente para recibir los envios de mercancias desde la compañia matriz, almacenar los productos, servir los pedidos a los clientes, facturar a los clientes, cobrar el pago y realizar funciones contables generales. Dado que el centro de distribución asumirá la responsabilidad de un gran espectro de actividades básicas y especificas a determinados costes, la inversión requerida para establecer y mantener la subsidiaria será razonablemente baja y controlable. Además, los empleados de la subsidiaria podrán dedicar su atención principalmente a las funciones de venta de la subsidiaria, las cuales pueden conducir directamente y/o indirectamente a través de agentes comisionistas independientes.

La elección de esta alternativa por lo general supondrá dotar a la subsidiaria norteamericana con al menos un empleado local, si bien esto no seria absolutamente necesario desde el punto de vista legal norteamericano. El gerente de la subsidiara puede ser un individuo que resida fuera de los Estados Unidos, aunque tal circunstancia podria suponer el incurrir en ciertas dificultades operativas (e.g., retrasos en comunicación con los clientes y con el centro de distribución) y si tal gerente reside en el domicilio de la compañia extranjera también podria dar lugar a consecuencias fiscales en dicho país extranjero (e.g., puede considerarse que la subsidiaria mantiene un establecimiento permanente en tal pais extranjero si su sitio efectivo de dirección está alli localizado). En cualquier caso, si la compañia extranjera decide enviar uno o más de sus empleados como personal de la subsidiaria, la existencia de la subsidiaria normalmente dará lugar a que se obtenga una visa temporal de residencia para tales empleados (i.e. una visa L-1 de tres años).

La figura de la subsidiaria/ centro de distribución puede ser combinada con otras estructuras utilizadas por pequeñas y medianas compañias extranjeras para facilitar los problemas de liquidez que pueden resultar de vender sus productos a crédito. Estas estructuras normalmente se conocen con el nombre de "*factoring*." Bajo las mismas, la subsidiaria realmente descuenta sus efectos a cobrar con un "*factor*." Aunque el *factor* normalmente contará con el derecho de deducir de la

(CONTINUA EN LA PAGINA 60)

MICHAEL S. MENSIK is a graduate of the University of California at Berkeley Law School and practices law with the international law firm of Baker & McKenzie in Chicago. He is currently stationed in the firm's Madrid office.

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FROM THE COMMERCIAL OFFICE OF SPAIN IN NEW YORK

Marqués de Riscal Celebrates The Best of Spain in New York

Marqués de Riscal held a festive afternoon event billed as "The Best of Spain" on May 7 at the Exit Art Gallery in the trendy Soho section of New York City to celebrate the appointment of Schieffelin & Co. as their exclusive U.S. agent.

The party was hosted by Señor José Luis Muguiro Aznar (left), export director of Marqués de Riscal, and Señor Francisco Hurtado de Amezaga, the winemaker and great grandson of the founder of the winery, Marqués de Riscal. Also attending was J. Penn Kavanagh, president and CEO of Schieffelin & Co., who was very pleased to honor Schieffelin's new association with Marqués de Riscal.

In an atmosphere filled with Spain's appealing traditions, trade and press guests tasted Marqués de Riscal's red Rioja and white Rueda wines amidst a lively backdrop of tapas, colorful flamenco dancing, guitar playing, "Tuna" minstrels, and singing.

Domecq Introduces Marqués de Arienzo in U.S.

Domecq has expanded its line of distinctive Rioja wines with Marqués de Arienzo, in a 1976 Gran Reserva, 1980 Reserva and 1982 Cosecha.

The Marqués de Arienzo wines are full-bodied, falling between the Rioja Alavesa and Rioja Alta in character. They have the fruitiness and acidity of Alavesa, balanced with the heavier body of Rioja Alta.

The Marqués de Arienzo Gran Reserva 1976 is a rich, elegant, deep-red wine with a robust flavor, made from 100% Tempranillo grapes. Aged for two years in oak and 8 years in the bottle, its suggested retail is $12.00 per bottle.

The Marqués de Arienzo Reserva 1980 is a well-balanced, medium-body fruity wine that is subtle, yet fragrant. The Reserva is also made with 100% Tempranillo grapes, and has been aged in oak for two years and in the bottle for four years. Its suggested retail is $7.99.

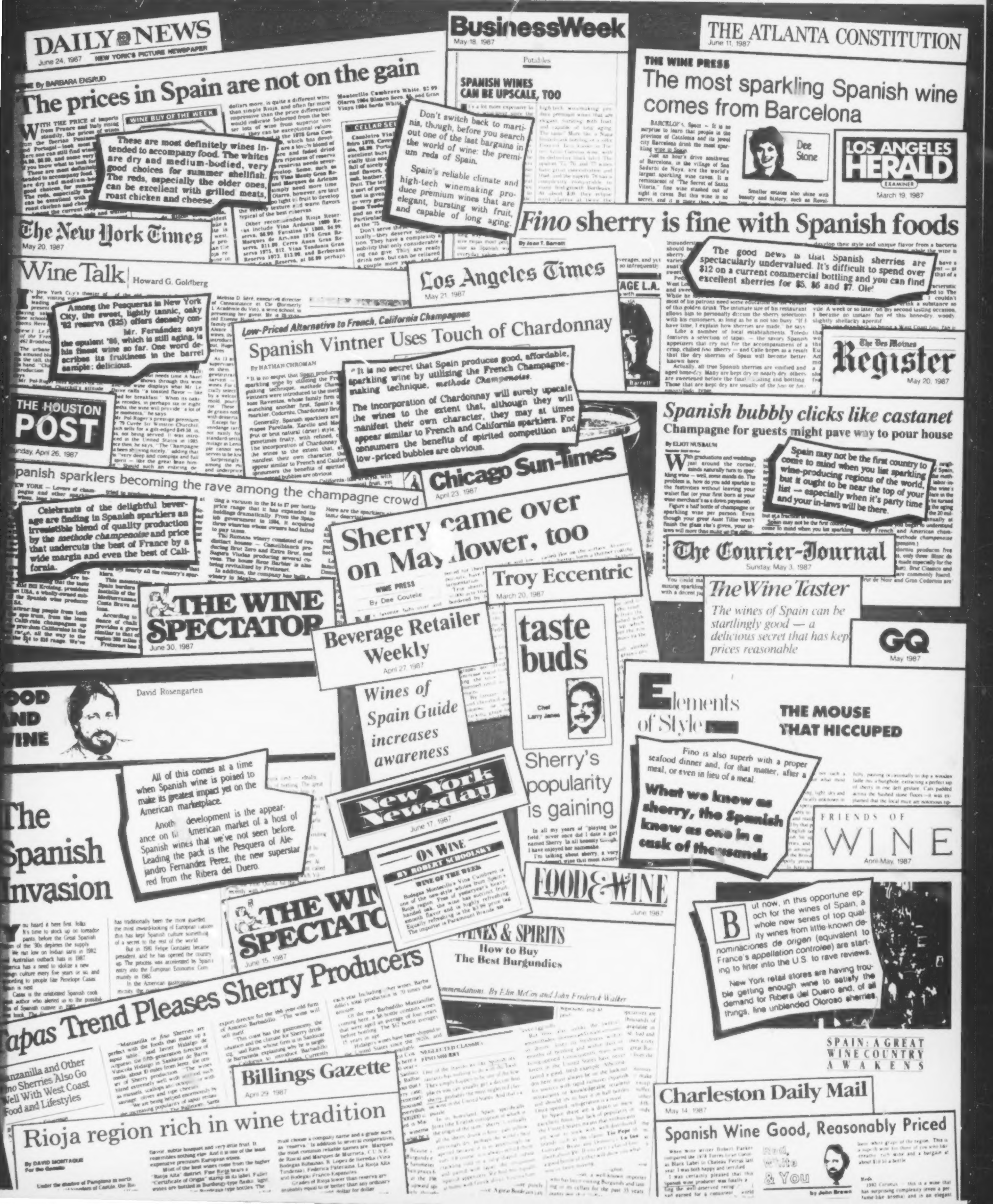
The Marqués de Arienzo Cosecha 1982 combines 10% Garnacha grapes with Tempranillo grapes for a wine with a special character all its own. Aged two years in oak and two years in the bottle, it retails for $4.99.

All three are outstanding values in Spanish wine, and are welcome additions to the marketplace from the House of Domecq.

Bottled Briefs

Codorniú USA introduced its new Anna de Codorniú at the WSWA Convention in Los Angeles in April, with a suggested retail price of $5.99...**Bodegas Berberana** has signed with Joseph Victori as their exclusive national US importer...**González-Byass** has named Omar Fraga as their US sales/marketing manager in charge of the following brands: Tio Pepe sherry, Lepanto brandy, DuBosc Cava, and Beronia Rioja wines. Fraga is reportedly the first US manager ever appointed by González-Byass...**Bill Kroesing** is no longer President for Freixenet USA, which moved recently to new headquarters in Sonoma County, California; he will, however, remain on the Board of Directors...**Juan Furné,** who was formerly US national sales manager for Castellblanch, has been named US Marketing Manager for the Southeast region for all brands of Freixenet...**José María Foz,** formerly of Bodegas Internacionales, is now export director of Carlos y Javier de Terry S.A., producer of 501 sherries and brandies...**Marqués de Cáceres Reserva '75** was served at the second of three opening night "Preview Dinners" at the recently reopened "21" Club in New York City. Distinguished celebrity guests sampled the wine alongside a menu of Sage Roasted Lamb Rack, flageolets and baby string beans, and a salad of endive, arugula and raddicio...**Rancio,** a distinctive fortified wine produced by **Bodegas Roqueta** in Manresa near Barcelona, was served as an aperitif during a tasting luncheon featuring Muscat wines for the Wine Media Guild of New York. Some 15 wine writers tasted this popular Catalan aperitif which was the only Muscat wine from Spain in the international selection...**Shaw-Ross** has taken on El Coto Rioja wines on a national basis...Spain's pavilion at the Summer Fancy Food Show in New York will showcase more than 40 food companies. Authentic tapas will be served daily from 12 Noon to 2 p.m...**Jaime Caruana,** Commercial Attaché, and **Maricarmen Clerigué,** Marketing and Administrative Assistant to Ana Fabiano and Jack Vincent, will both be leaving the Commercial Office and going to new positions in Spain. They will be greatly missed but we wish them our very best...A report on VINEXPO 87 will appear in the fall issue of **Wines of Spain News**...Watch for news on fall Rioja target market trade tastings.

The Wines of Spain in the News



DAILY NEWS
June 24, 1987 NEW YORK'S PICTURE NEWSPAPER

By BARBARA ENSRUD

The prices in Spain are not on the gain

WINE BUY OF THE WEEK

These are most definitely wines intended to accompany food. The whites are dry and medium-bodied, very good choices for summer shellfish. The reds, especially the older ones, can be excellent with grilled meats, roast chicken and cheese.

Other recommended Rioja Reservas include Vina Ardanza 1980 Reserva, $6.99; Faustino V 1980, $4.99; Marques de Arienzo 1976 Gran Reserva, $11.99; Cerro Anon Gran Reserva 1975, $12; Vina Tondonia Gran Reserva 1973, $13.99, and Berberana Reserva 1973, $13.99, at $8.99 perhaps

BusinessWeek
May 18, 1987

Potables

SPANISH WINES CAN BE UPSCALE, TOO

Don't switch back to martinis, though, before you search out one of the last bargains in the world of wine: the premium reds of Spain.

Spain's reliable climate and high-tech winemaking produce premium wines that are elegant, bursting with fruit, and capable of long aging.

THE ATLANTA CONSTITUTION
June 11, 1987

THE WINE PRESS

The most sparkling Spanish wine comes from Barcelona

Dee Stone

BARCELONA, Spain — It is no surprise to learn that people in the province of Catalonia and its jewel city Barcelona drink the most sparkling wine in Spain.

Just an hour's drive southwest of Barcelona, in the village of San Sadurni de Noya, are the world's largest sparkling wine caves. It is reminiscent of "The Secret of Santa Vitoria," fine wine stashed out of sight in caves. But this wine is no secret, and it is more than a ...

Smaller estates also shine with beauty and history, such as Rovel-

LOS ANGELES HERALD EXAMINER
March 19, 1987

The New York Times
May 20, 1987

Fino sherry is fine with Spanish foods

By Joan T. Barrett

The good news is that Spanish sherries are spectacularly undervalued. It's difficult to spend over $12 on a current commercial bottling and you can find excellent sherries for $5, $6 and $7. Ole!

Like a number of local establishments, Toledo features a selection of tapas — the savory Spanish appetizers that cry out for the accompaniment of a crisp, chilled *fino* sherry — and Calle hopes as a result that the dry sherries of Spain will become better known here.

Actually, all true Spanish sherries are vinified and aged bone-dry. Many are kept dry or nearly dry; others are sweetened before the final blending and bottling. Those that are kept dry are usually of the *fino* or *amontillado* types.

Wine Talk | Howard G. Goldberg

Among the Pesqueras in New York City, the sweet, lightly tannic, oaky '82 reserva ($25) offers densely con-

Mr. Fernández says the opulent '86, which is still aging, is his finest wine so far. One word describes its fruitiness in the barrel sample: delicious.

Los Angeles Times
May 21, 1987

Low-Priced Alternative to French, California Champagnes

Spanish Vintner Uses Touch of Chardonnay

By NATHAN CHROMAN

"It is no secret that Spain produces good, affordable, sparkling wine by utilizing the French Champagne-making technique, *methode Champenoise.*

The incorporation of Chardonnay will surely upscale the wines to the extent that, although they will manifest their own character, they may at times appear similar to French and California sparklers. For consumers the benefits of spirited competition and low-priced bubbles are obvious.

The Des Moines Register
May 20, 1987

THE HOUSTON POST
Sunday, April 26, 1987

Spanish sparklers becoming the rave among the champagne crowd

Celebrants of the delightful beverage are finding in Spanish sparklers an irresistible blend of quality production by the *methode champenoise* and price that undercuts the best of France by a wide margin and even the best of California.

Spanish bubbly clicks like castanet

Champagne for guests might pave way to pour house

By ELIOT NUSBAUM

With graduations and weddings just around the corner, minds naturally turn to sparkling wine — well, some minds do. The problem is, how do you add sparkle to the festivities without leaving your wallet flat (or your first born at your wine merchant's as a down payment).

Spain may not be the first country to come to mind when you list sparkling wine-producing regions of the world, but it ought to be near the top of your list — especially when it's party time and your in-laws will be there.

Chicago Sun-Times
April 23, 1987

Sherry came over on Mayflower, too

WINE PRESS

By Dee Coutelle

The Courier-Journal
Sunday, May 3, 1987

THE WINE SPECTATOR
June 30, 1987

Troy Eccentric
March 20, 1987

The Wine Taster

The wines of Spain can be startlingly good — a delicious secret that has kep prices reasonable

GQ
May 1987

Beverage Retailer Weekly
April 27, 1987

Wines of Spain Guide increases awareness

taste buds

Chef Larry Janes

Sherry's popularity is gaining

In all my years of "playing the field," never once did I date a girl named Sherry. In all honesty though, I have enjoyed her namesake.

I'm talking about sherry, a very

FOOD AND WINE

David Rosengarten

The Spanish Invasion

All of this comes at a time when Spanish wine is poised to make its greatest impact yet on the American marketplace.

Anoth development is the appearance on th American market of a host of Spanish wines that we've not seen before. Leading the pack is the Pesquera of Alejandro Fernandez Perez, the new superstar red from the Ribera del Duero.

You heard it here first, folks. It's time to stock up on toreador pants before the Great Spanish ... of the '90s depletes the supply. We ran low on Indian saris in 1982 and Australian outback hats in 1987. America has a need to idolize a new foreign culture every five years or so, and according to people like Penelope Casas, Spain is next.

Casas is the celebrated Spanish cook book author who alerted us to the possibilities of Spanish cuisine in 1982

has traditionally been the most guarded, the most inward-looking of European nations; this has kept Spanish culture something of a secret to the rest of the world.

But in 1981 Felipe Gonzalez became president, and he has opened the country up. The process was accelerated by Spain's entry into the European Economic Community in 1985.

Elements of Style

THE MOUSE THAT HICCUPED

Fino is also superb with a proper seafood dinner and, for that matter, after a meal, or even in lieu of a meal.

What we know as sherry, the Spanish know as one in a cask of thousands

New York Newsday
June 17, 1987

ON WINE

BY ROBERT SCHOOLSKY

WINE OF THE WEEK

Bodegas Montecillo's Vina Cumbrero is one of the new-style whites from Spain's Rioja region. Free of yesteryear's heavy-handed oak, the wine has succinct fruit, smooth flavor and is highly refreshing. Equally refreshing is the $3.99 price tag. The importer is Paramount Brands ...

FRIENDS OF WINE
April-May, 1987

FOOD & WINE
June 1987

THE WINE SPECTATOR
June 15, 1987

WINES & SPIRITS

How to Buy The Best Burgundies

...mmendations By Elin McCoy and John Frederick Walker

But now, in this opportune epoch for the wines of Spain, a whole new series of top quality wines from little-known denominaciones de origen (equivalent to France's appellation controlee) are starting to filter into the U.S. to rave reviews.

New York retail stores are having trouble getting enough wine to satisfy the demand for Ribera del Duero and, of all things, fine unblended Oloroso sherries.

SPAIN: A GREAT WINE COUNTRY AWAKENS

Tapas Trend Pleases Sherry Producers

Manzanilla and Other Fino Sherries Also Go Well With West Coast Food and Lifestyles

"Manzanilla or *fino* Sherries are perfect with the foods that make up a tapas table," said Javier Hidalgo de Argueso, the fifth-generation director of Vinicola Hidalgo in Sanlúcar de Barrameda, about 10 miles from Jerez, the center of Sherry production. "The wines blend extremely well with seafood such as mussels, scallops and octopus ... with sausage, olives and ripe cheeses."

"We are being helped enormously by the increasing popularity of tapas restau...

Billings Gazette
April 29, 1987

Rioja region rich in wine tradition

By DAVID MONTAGUE
For the Gazette

Under the shadow of Pamplona in north...

flavor, subtle bouquet and very little fruit. It resembles nothing else. And it is one of the least expensive premium European wines.

Most of the best wines come from the higher "Rioja Alta" district. Fine Rioja bears a "Certificate of Origin" stamp on its label. Fuller wines are bottled in Burgundy-type flasks; light wines are bottled in Bordeaux-type bottles. The

must choose a company name and a grade such as "reserva." In addition to several cooperatives, the most common reliable names are: Marques de Riscal and Marques de Murrieta, C.U.N.E., Bodegas Bilbainas, R. Lopez de Heredia (Vina Tondonia), Federico Paternina, La Rioja Alta and Bodegas Franco-Espanoles.

Grades of Rioja lower than reserva are probably equal to or better than any ordinary ... dollar for dollar

Charleston Daily Mail
May 14, 1987

Spanish Wine Good, Reasonably Priced

Red, White & You

by John Brown

When wine writer Robert Parker compared the 1978 Torres Gran Coronas Black Label to Chateau Petrus last year, I was both happy and terrified.

I was certainly pleased that this Spanish wine producer was finally getting the well deserved recognition it had earned for a consistent ...

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Spain's Regulations on Foreign Investments in Real Estate

"The decisions of foreign individuals and corporations on investing in real estate in Spain will be influenced by such issues as free access to Spanish banking credits and loans, taxes to be paid in Spain or the country of origin, and transferability abroad of the amount invested or profits obtained from its rental, etc."

By Luis Corno

Spain is nowadays an attractive place for foreign investment. Consolidation of democracy, the entry into the European Common Market as a full member country since January 1, 1986, and Spain's geographical location between the American continent, Africa and the rest of Europe, along with other factors such as its relatively low taxation and cheap labor costs, have produced a remarkable increase of foreign investment in recent years.

Foreign capital investment, logically, has been sponsored and bolstered by both national and regional governments, which have enacted new regulations liberalizing the former regime of licenses and rigid authorizations. The current regulation is essentially constituted by Royal Legislative Decree 1265/1986 of June 27 for Foreign Investments in Spain, developed by Royal Decree 2077/1986 of September 25 (published in the Official State Gazette No. 240 of October 7).

Although an analysis of the distribution of foreign investment among the different sectors of Spain's economy, as well as the scheduling of countries regarding the totals of their investments in Spain is very interesting, for reasons of brevity I shall focus on the subject of foreign investments in real estate only. A recent essay about "Direct Foreign Investment in Spain in 1986, published in *Spanish Economic and Commercial Information Bulletin No. 2071*, February 1986 (edited by the Secretary of State for Commerce, Ministry of Economy and Treasury), says: "In the economic sector of construction and real estate, foreign investment in Spain is mainly channeled toward real property acquisitions.

It is important, then, to study the current laws and regulations regarding foreign investments in real estate in Spain, and their taxation consequences.

In many cases the commercial approach to real estate transactions has to be drastically changed when tax considerations are taken into account; for example, when one realizes transfer of property taxes to be paid, or the consequences of capital gains on personal or corporate income tax.

On the other hand, the decisions of foreign individuals and corporations on investing in real estate in Spain will be influenced by answers given on such issues as free access to Spanish banking credits and loans, taxes to be paid in Spain or the country of origin arising from the acquisition of real property, and transferability abroad of the amount invested or profits obtained from its rental, etc. These and similar issues will be discussed here, although in a brief way due to the short length of this article.

Spanish Foreign Investment regulations rely on the legal concept of "foreign" investment. Pursuant to current legislation, it is not an easy thing to define the exact meaning and scope of this concept, since it is no longer determined by criteria of nationality or residence exclusively. An investment made by a Spanish citizen might eventually be deemed "foreign," and surprisingly investments produced by "non-residents" may legally be considered as "domestic investments" under some circumstances.

The qualification of an investment as "foreign" has great importance, since upon this determination rests the most important of the foreign investor's rights: the right to transfer funds abroad which are the result of income obtained from real estate rentals, or capital gains resulting from the sale of property in Spain.

Due to the significance of the aforesaid concept, let us start first of all with its legal definition. The concept of FOREIGN investment as it pertains to real estate is especially complicated to define, since it involves the simultaneous combination of the following four criteria:

—Investor's citizenship or nationality;
—Investor's permanent residence;
—Means of payment;
—Investment purpose (in the case of a commercial or industrial activity.

II. GENERAL PROVISIONS OF THE NEW LEGISLATION OF 1986.

To insure better understanding of the various kinds of foreign investment, we first have to highlight the goals of the new legislation and the main changes from the previous legislation.

Foreign investments in real estate in Spain are subject to specific rules regarding not only foreign exchange control but to other regulations which do not apply to stock market investments, participation in Spanish companies, etc. Thus foreign investments in real estate are under the scope of special legislation provided for national security, defense, etc.

Because of its peculiarities, investment in real estate is treated separately from other kinds of foreign investment in chapter IV of Royal Legislative Decree No. 1265/1986 of June 25 and in Royal Decree 2077/1986 of September 25 as well.

Royal Legislative Decree No. 1265/1986 declares in article 13 the basic principle of freedom of foreign investment in real estate by saying: "Foreign investments consisting in real estate acquisition of properties are totally liberalized without submission to any previous administrative proceedings, with the exceptions provided for in the following paragraph" (art. 13.2).

The paragraph of article 13 which follows demands, in some specific cases, administrative verification as a previous requirement for foreign investments in real estate.

Verification is an administrative control device the main feature of which is the elimination of discretionality in the execution of public powers. Discretionary performance of public duties was precisely the most peculiar characteristic of the former device of "authorizations" provided for in Decree 3021/1974. In cases where a previous authorization is required, administrative authorities enjoy a broad margin for either granting it or not. This is not the same when a previous verification is needed. In such cases public administration's powers are limited to checking only whether the applicant is eligible or not for the granting of the permit for investing, according to the fulfillment of fixed requirements. Public administrations lack the power to deny the permit if all the requirements demanded are fulfilled by the applicant.

We are therefore likely to say that legislation enacted in 1986, though maintaining basically the same operational devices, institutes a more open and free set of regulations than were provided for in the previous Decree. However, this needs to be explained in more detail.

III. REGULATIONS GOVERNING DIFFERENT KINDS OF INVESTOR

There are various types of legal regulations which depend on the different kinds of subjects or title holders of foreign investments. In fact, investments made by four different groups of investors (as well as investments implemented by Spanish citizens residing abroad) may be distinguished:

A. Investments made by foreign individuals residing abroad ("non-residents").
B. Investments made by foreign individuals residing permanently in Spain ("residents").
C. Investments made by corporations or collective entities without any branch or permanent establishment located in Spain, or without any share or participation in any Spanish company.
D. Investments made by foreign corporations with branches and permanent establishments in Spain, or owning shares in Spanish corporations.

A. Investments made by foreign "non-resident" individuals.

We have first to define what is a "non-resident" individual, and how his status can be verified.

Pursuant to article 1.4 of Royal Decree 2077/1986 of September 25 (henceforth New Regulation for F.I. in Spain): "Non-resident status should be proved when necessary, in the way provided for in Royal Decree 2400/1980 of October 10.

Thus those who have their domicile abroad or live most of the year out of Spain will have to credit their non-resident condition by means of a "non-resident certificate," issued by the Ministry of Interior, within two months before they apply for investing in Spain.

> ***"The qualification of an investment as 'foreign' has great importance since upon this determination rests the most important of the foreign investor's rights . . . "***

Pursuant to new legislation enacted in 1986, there are three different kinds of legal regulation for foreign investments in Spain by "non-resident individuals:

1. Liberalized investments.
2. Investments submitted to previous administrative verification.
3. Investments submitted to prior administrative authorization.

1. Liberalized Investments.

As stated in article 12.2.1 of Royal Decree 2077/1986 *(a contrario sensu):* "Acquisitions of property up to three dwellings in the same building, or up to three units in the same condominium or cooperative, are liberalized."

Therefore it seems that the buying of a house or villa located in a non-urban area ("rural zone"), even where there is no land available for cultivation or agricultural purposes, irrigated or not, is not included in this category but in the following one.

2. Acquisitions submitted to Administrative Verification.

Article 12.2.1 of Royal Decree 2077/86 states that the following shall be submitted to prior administrative verification:

Article 12.2.1 of Royal Decree 2077/86 states that the following shall be submitted to prior administrative verification:

a. Acquisitions of land in a "non-urban area (rural).
b. Acquisitions of properties qualified as "solares" according to the Land Regulation and Urban Planning Law, revised Text of April 9, 1976.
d. Acquisition of more than three dwellings in the same building, or more than three units in the same condominium or cooperative.

Verification constitutes an administrative control device, widely found in the European Community countries, which consists of a "checking" of conditions required (and previously fixed in regulations) as to the potential foreign investor. Authorities can not deny the granting if all requirements have duly been fulfilled by the applicant.

We do have to be aware that one of the goals of the new legislation enacted in 1986 was, as is highlighted in the prologue of Royal Decree 2077/1986, the adequacy of Spanish Laws and Regulations as to those passed by the European Community institutions concerning liberalization of movements of capital and freedom of establishment of foreign corporations.

The Procedure for obtaining administrative verification is the following: Proposals for administrative verificaiton are to be filed with the Foreign Transactions Department (Dirección General de Transacciones Exteriores). If the D.G.T.E. has made no response to the application (containing the investment project) within 30 working days of its filing, it is considered implicitly approved. Administrative summons for additional information about the investment project, such as origin of the funds invested, place or means of payment, etc., shall interrupt the term given for an express resolution.

One criticism to be made concerning the provisions of article 12.2.1, paragraph b) is the unresolved questions which the paragraph has left open, either to the potential applicant or to the public authorities. It states that only in the case of the acquisition of land qualified as "solar" according to the Land Regulation and Urban Planning Law T.R. of 1976 (article 83) is it mandatory to apply for "administrative verification." Therefore, according to this paragraph, whatever land not restrictively qualified as "solar," but located in urban areas, is excluded from the administrative verification requirement.

Pursuant to Spanish Law, land may be qualified as "solar" either when it contains certain improvements (vehicular access, water supply, sewage disposal and electricity), or when it is located in a zone in which at least two thirds of the surface area has already been built up.

Considerations of purely technical interpretation *("ubi lex non distinguet, non distinguere possumus." a contrario sensu)* compel us to understand that Urban Improvable Land (either with or without Zoning Action Program) is under the scope of the general provision of article 12.1 (Liberalized Investments) of Royal Decree 2077/86, since the above mentioned paragraph b) expressly excludes any kind of land other than "solares."

I am inclined to believe that it would be nonsense to demand mandatory verification in the case of the purchase of a rural villa and to ask nothing in the case of the acquisition of urban land of any kind.

3. Acquisitions requiring Administrative Authorization

Article 12.4 of Royal Decree 2077/86 states that: "When investment in real estate is aimed at or constitutes a commercial or industrial activity, regulations provided in Chapter II shall be applied."

This means that in such cases authorization shall be required.

Administrative authorization might be mandatory, theoretically, when the dwellings or apartments purchased (up to three units) are dedicated habitually to the rental business. Such cases (very frequent in tourist areas) will be considered as commercial activity, and then application for authorization is required. Failing to fulfill this requirement carries an administrative liability and the enterprise is considered a "clandestine commercial activity" and is subject to penalty of law.

B. Investments made by foreign individuals residing in Spain

As in the previous section, it is desirable to define the legal meaning of the term "resident" and the procedure for getting that status.

According to current Spanish regulations, foreigners who intend to live permanently in Spain (including the Canary Islands) should apply for a "Residence Permit" (Permiso de Residencia). This permit authorizes aliens to remain in Spain for a period of two years. Before the maturity date of the permit, a new application for renewal must be submitted to the local police headquarters (Ministry of Interior); this is granted normally without any difficulty.

The fundamental criterion for an investment made by an individual residing in Spain to qualify as a "foreign investment" is the origin of the funds invested. The general rule is that "foreign" investments are only those being paid with funds coming from abroad. Real estate acquisitions made by aliens residing in Spain, without disclosing the origin of the funds invested, will not be deemed "foreign."

The reason for this general presupposition is that, as opposed to "residents," who may easily open current accounts in internal pesetas ("pesetas ordinarias"), i.e. nonconvertibles, a non-resident foreigner can not open checking or savings accounts or time deposits in "nonconvertible" pesetas without previous administrative authorization.

Thus, pursuant to Spanish law, investments will not be deemed "foreign" if they are produced or paid with internal capital or pesetas ordinarias.

We must qualify this, however, by taking into account the exclusion in article 2.2 of Royal Decree 2077/86. This paragraph provides that investments paid with interior funds may be deemed "foreign" provided they have previously been authorized ex pressly by the Foreign Transactions Department (D.G.T.E.). (On this point I recommend the reading of D.G.T.E. Resolution of January 23, 1975).

Two other questions frequently asked by corporations or professional consultants concern:

- Free access for foreigners to Span-banking loans.
- The right of transferability abroad of the proceeds, benefits or capital gains obtained from the investment produced in Spain.

A proper answer on these two issues would require a detailed treatment, far deeper and longer than is possible in this short article. In general terms, however, individuals residing in Spain (and also non-residents in special circumstances, with the fulfillment of certain requirements and in more limited amounts) enjoy the right of free access to Spanish banking credits and loans equally with Spanish citizens.

Article 12.3 of Royal Decree 2077/86 points out expressly that foreign investors may be granted Home Equity Loans, or Mortgage Loans from Spanish banks and financing entities to support the payments due on the purchase price of real estate in Spain.

With regard to the second issue highlighted above, in the case of loans granted to foreigners from Spanish banks, the general rule is that real estate acquisitions paid in "pesetas ordinarias" (non-convertible), are not to be deemed "foreign investment" and thus shall not enjoy the right of transferability abroad.

C. Investments Made by Foreign Entities and Corporations

We must distinguish between two main categories of entity, separating investments produced by public entities or government agencies and those made by private companies and corporations. Only investments by private entities will be discussed here, since they participate more frequently in real estate acquisitions abroad (and, in Spain, at an amazingly increasing rate over the last five years). Also, business involving public entities nearly also has to do with special issues such as politics, with considerations beyond strict legal content.

Regarding private entities, article 1.1 of Royal Decree 2077/86 states that the following are entitled to produce investments in Spain:

a. Private foreign entities; and
b. Their establishments or branches located in Spain.

It is my belief that paragraph b) above results in a useless and confusing repetition of entities, since permanent establishments or branches of foreign entities do not have separate legal personality. They are considered simply as assets abroad owned by foreign companies; or if they want to conduct business in Spain they must, by law, adopt any of the existing and legally recognized forms of legal entity (association, foundation, partnership, corporation, etc.) in accordance with Spanish law.

In the first case, when foreign private companies are not doing business in Spain but are owning and buying real estate as a simple investment (not as part of a commercial activity of brokerage or speculation), the same regulations relating to investments by foreign "non-resident" individuals apply.

If foreign private companies wish to do businesses in Spain, their real estate acquisitions will be governed by Royal Legislative Decree of June 27 and by articles 1, 3 and 8 of Royal Decree 2077/86.

Spanish corporations duly incorporated, with foreign participation in their capital stock, and establishments and branches in Spain owned by foreign corporations, do have access to banking credits and loans in the same and equal conditions as Spanish corporations (article 9 of Royal Decree 2207/86.

IV. TRANSFERABILITY ABROAD OF FUNDS INVESTED AND CAPITAL GAINS

Royal Decree 2077/86 states in article 4, paragraph a), the principle of free transferability abroad, *without any quantitative restriction*, of funds invested, profits and capital gains obtained from the selling of real estate in Spain which is legally deemed as "foreign investment" according to the law.

Consequently, transferability can be denied if, after administrative investigation, it is determined that profits and capital gains have been unduly obtained, in violation of current regulations.

Transferability abroad may be executed from the very moment the investment has been properly declared for recording in the Foreign Investment Registration Office.

V. FORMAL REQUIREMENTS AND RECORDING OF FOREIGN INVESTMENT IN REAL ESTATE

To enjoy the right of transferability abroad, real estate transactions must be properly formalized. Pursuant to current legislation, the following is required:

1. Certificate issued by a bank or credit entity, duly constituted and operating in Spain, stating the origin of capital or funds invested.
2. Administrative Verification or Authorization when necessary.
3. Foreign investments consisting of real estate transactions, even those performed abroad by "non-residents" (art. 17.2) must be formalized through a public deed drafted by a notary public or consular agent of Spain.

Foreign transactions in real estate will not be enforceable or binding on the parties if not executed following this procedure. The drafting of a public deed has for these contracts a special "constitutive" significance: I mean that its validity is not restricted only to that of a procedural means of proof.

4. Application to record the investment project with the "Foreign Investment Registration Office" (Foreign Transactions Department).

Notification to the administrative authorities of the investment projected or the transaction performed is mandatory not only to the parties to the contract but also to the notary public who drafted the deed and to banking institutions which participated in making the payments.

This is a brief summary of the current Spanish law and regulations on foreign investment in real estate. It might be concluded that the new legislation passed in 1986 continues the trend of opening and liberalizing (both in reference to foreign acquisitions and to the transferability abroad of funds initiated by Decree 3021/74 of October 31. However, the general principles outlined here must necessarily be complemented by specific regulations relating to acquisitions in National Defense Zones and Tourist Areas, Foreign Exchange Control, etc.

Thus all these special regulations, along with taxation issues (which will be developed in our next article) require more detailed advice from experts at the moment of implementing the investment. So you should consider these lines as a mere introduction, addressed to those who share an interest in studying these issues of international business.

ENTREVISTA CON CARLOS ALFARO

(SIGUE DE LA PAGINA 50)

proceso de cambio hay quienes progresan más rápido que otros. Principalmente el abogado americano en general esta mucho más orientado hacia el mundo de los negocios.

¿Hacia donde debe dirigirse ese cambio?

Decididamente hacia una más estrecha interrelación entre el mundo de los negocios y el jurídico. La necesidad de exportar y la entrada al Mercado Común Europeo así lo imponen. Ello ha sucedido ya en otros paises, donde inclusive ya existen bufetes que mediante la creación de joint ventures con analistas económicos, banqueros o traders, prestan servicios integrales a sus clientes y en algunas ocasiones participan del mismo negocio.

¿Cuales son los planes futuros del Club?

Consolidarse y expandir sus servicios. Aprovechar ese caudal de información jurídica y de negocios que cada uno de sus integrantes posee.

Para ello vamos a crear una comisión donde uno de sus integrantes va a ser una persona muy activa en el campo de los negocios y conocido por la Cámara: Antonio Camuñas.

Hemos recibido ofertas, también de constituir un club europeo paralelo en Paris, donde las firmas españolas podrian tener una participación activa.

SUBSIDIARIO/CENTRO DE DISTRIBUTION

(SIGUE DE LA PAGINA 52)

cuenta el valor de las mercancías devueltas, también por lo general correrá con el riesgo de crédito (e.g., el riesgo de que el cliente puede ir a la quiebra), al menos cuando el *factor* previamente haya aprobado la venta al cliente en cuestión.

Las compañias extranjeras optando por la figura de la subsidiaria/centro de distribución deben, no obstante, ser conscientes del riesgo que existe para toda compañia extranjero haciendo negocios con compañias vinculadas en los Estados Unidos. Bajo la legislación fiscal norteamericana, las autoridades fiscales tienen autoridad con ámplios poderes para atribuir renta y gastos en relación con operaciones entre compañias vinculadas. De esta forma, si las autoridades determinan que la compañia extranjera está vendiendo sus productos a su subsidiaria en los Estados Unidos a un precio que exceda el precio cargado a un tercer distribuidor independiente, podrían atribuir unilateralmente renta a la subsidiaria norteamericana, creando un incremento en su base fiscal local. En cualquier caso, el incentivo de retirar beneficios de las compañias subsidiarias americanas a través de tal mecanismo de juego de precios ha sido de alguna forma reducido por la reforma fiscal del 1986, dado que se ha rebajado el tipo máximo aplicable a las compañias en los Estados Unidos (40% para 1987 y 34% para los siguientes años) a niveles comparables con aquellos de la mayoria de los paises occidentales.

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(The experts have.)

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Ronn Wiegand
WINE COUNTRY Magazine,
May, 1985

"Fresh, clean, fruity and attractive."

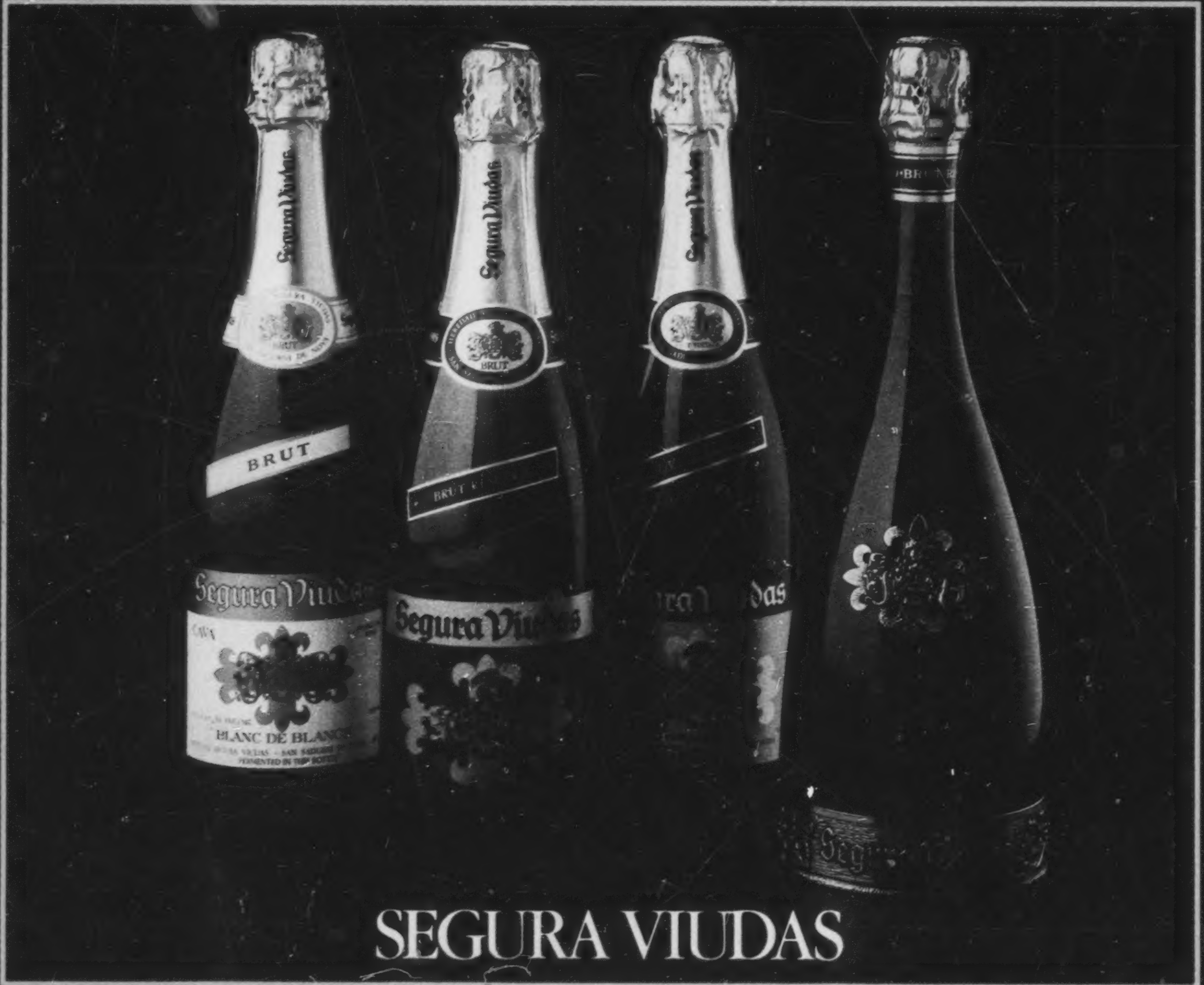
Anthony Dias Blue
Wine Editor, BON APPETIT,
June, 1985

"'87 BEST BUY... Very satisfying sparkler: rich, clean and easy on the pocketbook. *Sight:* light straw; lively beading. *Nose:* clean, yeasty, toasty. *Taste:* dry, full-bodied, rich, flavorful; hints of yeast and apples, toasty, good acid and balance, nice mouth-feel, clean, crisp finish."

– THE WINE SPECTATOR,
November, 1986

"Very serious sparkling wine. Very fine carbonation; pleasant, complex bouquet. The wine is at once delicate and finesse-full, yet fully flavored and rich. Will hold its own with most California products at several dollars less per bottle."

Jerry Mead
National Syndicated Columnist
June, 1987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Business Opportunities

FIRMS IN SPAIN OFFERING PRODUCTS OR SEEKING REPRESENTATION

Anatomic bathtub: TPM TALLERES PLASTICOS MADRID, S.A., Albasanz, 36; 028017 Madrid.

Hardware shop and furnishings: EURASIA; c/Miracruz, 28-2°; 20 001 San Sebastián (Guipuzcoa); Attn: Sr. Marcos Santiago Eguren; tel: 43 270 305; Telex: 36228 CAMIN E; Fax: 43 29 31 05.

Cosmetic products: M.Q. VICTOR, S.A.; Travesera de Gràcia, 274, entlo. 1ª; 08025 Barcelona; tel: 258 9800 / 258 9408; Attn: Sr. Juan Cabús.

Wooden craftsmanship (Christmas ornaments, toys, chests): TALLER CANIGO; Avda. Vallvidrera, 22; 08017 Barcelona; tel: 203 2570; Attn: Anna Pares.

Cylinders and hinges for security: IGLE, S.A., Poligono Industrial "Can Jardi,", C/Schumann, 12; 08191 Rubi (Barcelona); Attn: Sr. Juan Carlos Iglesias.

Leather handbags: SRA. EVA SERRA CASELVES; C/ Gabriel Miró, 34, Alicante, tel. 761189 / 760136.

Fertilizers: TRICARSA, Medicina, 30, Las Mesas (Cuenca).

Canned olive oil: ACEITERA CATALANA, S.A.; C/Anselmo Clavé, 21, Reus (Tarragona); Telex: 56817 ASECO E; Tel: (977) 30-1501.

Records, compact cassettes and records: FONOMUSIC, S.A.; Garcia de Paredes, 12 - 1°, 28010 Madrid; tel: 446-7748; Telex: 43077 FNMC E.

Sheep, lamb and cattle bovine skins: SEBASTIAN GARCIA; C/ Valencia, 19 2° B; 37005 SALAMANCA, tel: 250553.

Wines, liquors, olives, olive oil, pimentos, saffron, preserved food products: Spanish import/export firm wishes to introduce its products nationally in the US, seeks collaboration: DIVINOSA, S.A., Galileo, 91, 28003 Madrid; Tel: 254 06 96, 254 27 07; Telex: 37207 COIM E 1344.

Jeringas, compresas, profilácticos, biberones, termómetros, etc.: Empresa española, leader en el sector de parafarmacia (OTC), busca agente, representante o importadores en general. Dirigirse a: ACOFARMA, Poligono Industrial Santa Margarita Vial, 3; 08223 Tarrasa (Barcelona); Tel: (93) 785 46 16; Telex: 51202 ACOF E.

Handcrafted leather articles and gifts: CONSORCIO EXTERIOR DE COMERCIO, S.A.; P. Jacaranda, 25; P.O. Box 361 Jerez de la Frontera (Cádiz); Attn: Mr. Juan L. Calvo Ramirez; Tel: 30 29 17; Telex: 75019 FONCAB E.

Hardware store, bricolage, industrial supplies: offering representation: COMERCIAL CARBONELL (Representaciones - Exclusivas); C/ Consell de Cent, 83, 5°, 1ª; 08015 Barcelona; Tel.: 325 5947; Telex: 50320; Fax: 2561004; Attn: Sr. Miguel Carbonell.

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Spray guns, filters, lubricators, air purifiers, compressors for bricolage: Spanish factory on an international level offers representation of their products: K "KRIPXE" S.A., Poligono Industrial, 3 Calle 10, nave 9; Apartado 19; Alboraya (Valencia).

Machines - Tools: DISHECO, S.A. Suministros Industriales; Avda. de Roma, 137; 08011 Barcelona; Telex: 97672; Tel.: 254 6906; Fax: 323 3559; Attn: Sr. Ramón Sisteré.

Canned Seafood and Fish: Seeks representation. CONSERVAS CERQUERIA, S.A., c/Tomás A. Alonso, 106; Apartado 63; 36208 Vigo (Pontevedra); Tel: 23 3500 / 23 3507; Telex: 83043 CERCO E.

Lace—Silk lace, bulrush, veils: (seeks representation); CENTRAL ENCAJERA, S.A.; Calle Lauria, 27; 08009 Barcelona; Tel: 318 8478.

Books: H.F. MARTINEZ DE MURQUIA, S.A.; Valverde, 25 y 27; 28004 Madrid.

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Finances and Investments: Consulting firm specializing in investments, finances, real estate and businesses in Barcelona: ESTEVE SERRA PICOLA, c/Princesa, 20 pral. 1a; 08003 Barcelona; Tel: 93 315 1174; Telex: 93377 TXSE E.

Buyer: Company that acts as buyer for clients interested in following products: Tin Lithography; Metal containers for food products; emply aerosols in tin or aluminum; security materials for work, children's clothing; shoes; security lock for metallic doors: ELGON INTERNACIONAL, S.A., Floridablanca, 66-72 int. A-, 08015 Barcelona, tel: 93 219 1204; Telex: 99 354 ELGON E.

Real Estate Brokers: Sales and rentals: EXCLUSIVAS, V.H., C/ Hermosilla, 13, 2°, 28001 Madrid; Tel: 431-0159.

Marketing Services: *SERVICIOS Y PROMOCIONES S.A.P., Buenos Aires, 49; 08036 Barcelona; tel: 321-8599; Telex: 98348 EXC E.*

Office Services: RICARD AGUIRRE I GILI; Escoles Pies, 38, 2° 2ª; 08017 Barcelona; tel. (93) 248-1716.

Showroom for exporters of seafood, meat, poultry, etc.; COMERCIAL DE AVES Y CAZA, S.A.; San Bernardo, 112; 28015 Madrid; tel: (91) 447-3022 (4 PM to 8 PM); Telex: 43229-23261 clave 1244.

Regalos, todo tipo de accesorios, perfumeria y cosmética, moda, deportes y novedades: Empresa española situada en Barcelona busca representación en exclusiva para toda España; ofrece experto equipo de profesionales de la venta, red de distribución, cartera de clientes seriedad y solvencia. Preferentemente los articulas serian los mencionados, se estudiarian otros productos. Escribir a: P AND M ESCLUSIVAS, S.A., C/ Villarroel, 172-174 Edificio Villarroel; 08036 Barcelona.

Real Estate for Sale (Galicia): CELTIC HABITAT, S.A., International Promoter of Residences and Services: Apartado 2289, 15080 La Coruña, Spain. Attn: Sr. Juan Carlos Mirré Gavalda.

Hospital for Sale: BROKER GALICIA, S.A., Asesoramiento e Intermediación, C/Federico Tapia, 49 -1°, 15005 La Coruña; Tel: 24 26 14.

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Productos de tenis: fabricante americano quiere exportar products de tenis a España; importadores interesados pueden contactar: Sr. K. Lee Bilcher, president, TENSTAR CORP., Box 67, Fanßood, NJ 07023; Tel.: (201) 322-8844, (201) 789-2555; Telex: (201) 376-2922 VITERBO.

Productos de salud: Compañia americana quiere representar empresas españolas que importan/exportan productos de salud. Contactar: Sr. Nicola Fiscarelli; EURO-INVESTMENT CORP., P.O. Box 7232; Princeton, NJ 08543-7232.

PRODUCTOS ESPAÑOLES SOLICITADOS

Tubos fluorescentes y bombillas incandescentes: Importador americana busca fabricantes que quieren exportar; contactar: Sr. Kenneth Gomes; KENROY IMPORT CO., P.O. Box 368, Northport, NY 11768.

THE CHANGE TO 'HS' FROM 'TSUS' CLASSIFICATION

(CONTINUED FROM PAGE 49)

and also quota and other import restrictions, where applicable.

An importer need not retain counsel to apply for a customs ruling. However, particularly where large quantities of imports and major financial investments in them are involved, the importer probably should secure expert professional advice. Matters such as the appropriate description of the imported item and the presentation of the arguments for a particular classification may determine whether the classification secured from the Customs is a favorable one.

LA ACADEMIA NORTEAMERICANA DE LA LENGUA ESPAÑOLA

(SIGUE DE LA PAGINA 64)

«Estados Unidos,—leo en otro de los folletos de la Academia—está destinado a lograr la conservación de la unidad del idioma español»

—¿Y que apoyo económico podria ayudar y fortalecer a la Academia? —pregunto a Jaime Santamaria, actual coordinador de información.

—Una Asociación de Amigos de la Academia — dice sin dudarlo— Seria algo fantástico poder convocar premios literarios, traer a nuestros mejores escritores para que diesen aqui conferencias. Con el tiempo, con el tiempo, todo se ira logrando.

La Academia Norteamericana de la Lengua Española existe y camina en los Estados Unidos. Una realidad magnifica que debemos, todos, aplaudir. □

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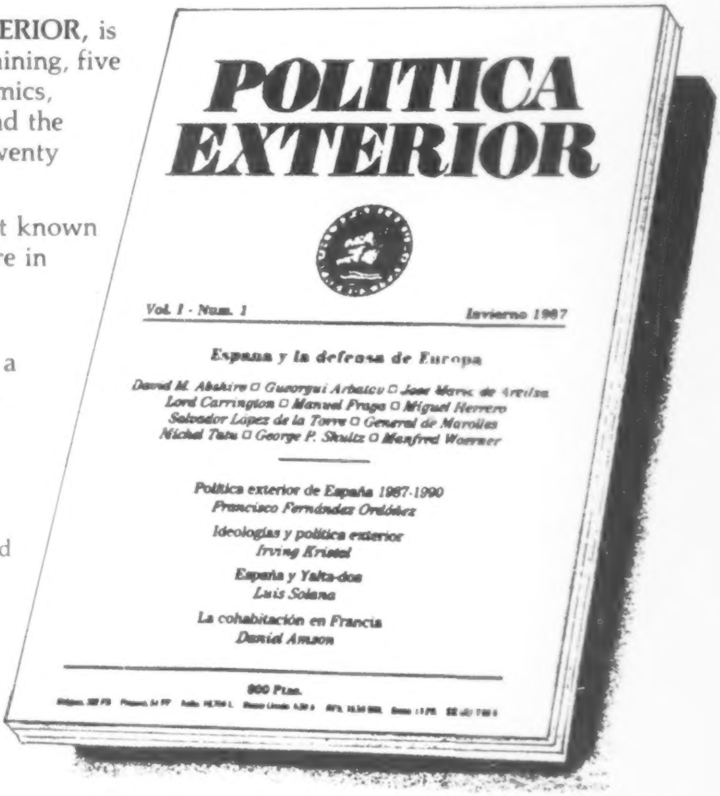

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BACK PAGE

La Academia Norteamericana de la Lengua Española

By NATALIA FIGUEROA
Courtesy of ABC

Fue recién llegada a Florida cuando nuestro Cónsul general en Miami, el embajador Carlos Fernández Shaw, recién llegado también a su nuevo puesto, me habló de la Academia Norteamericana de la Lengua Española.

—Es una gran labor la que están haciendo— me dijo—. Deberías ponerte en contacto con ellos, hablar de ello en la prensa. Merece la pena y estoy seguro de que va a interesarte mucho.

La Academia Norteamericana de la Lengua Española es, como podemos leer en uno de sus folletos explicativos, «un sueño acariciado por casi cien años».

Natalia Figueroa

Fue llevado a cabo por un Comité organizador que trabajó incesantemente durante mucho tiempo y que logró la adhesión de más de diez académicos de otras Academias hermanas que residían permanentemente en Estados Unidos. Este Comité estuvo integrado por: Carlos McHale, chileno, primer director de la Academia hasta su muerte a los 96 años; Odón Betanzos Palacios, español, profesor, poeta y novelista, actual director de la Academia; Gumersindo Yépez, ecuatoriano, profesor, filósofo, escritor, secretario de la Academia; Jaime Santamaría, español de Burgos, médico y escritor, perteneciente a la Academia de Ciencias de Nueva York, coordinator de información de la Academia.

La inauguración oficial de esta Academia, con sede en Nueva York, tuvo lugar en mayo de 1974.

—Aquí, en Florida — me informa el doctor Santamaría — hay un numeroso grupo de escritores e intelectuales que hacemos vida académica activa. Cuatro académicos de número residen aquí, y varios académicos correspondientes. Tenemos la suerte desde el pasado mes de agosto, de contar con un Cónsul general que es, él mismo, escritor e intelectual: el embajador Fernández Shaw. Ha sido un auténtico regalo para nosotros. Le admiramos, le respectamos, conocemos su obra. Y recibimos su apoyo, su aliento, su presencia en todos los actos académicos. Aceptó presentar el acto solemne de bienvenida a dos nuevos académicos. Aceptó presentar el acto solemne de bienvenida a dos nuevos académicos en el mes de noviembre, y dijo unas palabras magníficas. Es un hombre cultísimo, extraordinario.

Pregunto al doctor Santamaría cuál es la misión principal de esta Academia Norteamericana de la Lengua Española en los Estados Unidos.

—En primer lugar, se hace vida académica, que era necesario aquí, dado el alto número de escritores e intelectuales de habla hispana. Se reúne y se une a quienes hablan español. Piensa que son más de treinta millones de personas las que hablan hoy español en los Estados Unidos: una gran nación sumergida en una inmensa nación. El crecimiento del idioma español en este país es impresionante. Existen emisoras de T.V. en español en todas partes. La Academia celebra el Día del Descubrimiento, el Día del idioma, organiza conferencias, congresos, acude a actos académicos a otros países... El objetivo principal: unir con el único lazo que nos es común, el español, a todos los hispano-parlantes que aquí viven, y declarar la vigencia de nuestro idioma en este gran país. Para los norteamericanos es muy conveniente aunar las dos culturas: la suya y la nuestra. Dáte cuenta que el español fue el primer idioma hablado en Estados Unidos desde 1513, año en que Ponce de León descubre, bautiza y explora Florida. En 1565, Pedro Menéndez de Avilés funda, por orden del rey Felipe II, la primera ciudad europea del actual territorio de Estados Unidos: San Agustín de la Florida. Durante los siglos XVII, XVIII y XIX se fundan más de mil quinientas ciudades y misiones que todavía conservan sus nombres españoles.

Santamaría me habla de todo esto con un entusiasmo desbordante. Efectivamente, no sólo en Florida o en California existe el bilingüismo, sino que avanza a pasos agigantados: Arizona, Texas, Nuevo México, Colorado... El idioma español es hoy, legítimamente, el segundo idioma de este país. Somos la minoría mayoritaria. El hispano ejerce todas las profesiones con enorme éxito, y aquí se reconoce y se valor su cultura. Hay más de 50.000 profesores de español, más de 20.000 médicos. El hispano se lleva los primeros premios en Colegios y Universidades, es un hecho. Y el bilingüe se lleva los mejores puestos de trabajo, es una realidad.

—La Academia—continúa Santamaría—aporta la alta dignidad del idioma para todos los hispano-parlantes; las buenas relaciones con el idioma inglés, que amamos, puesto que aquí vivimos; el respeto a la cultura norteamericana y a nuestra propia cultura. No estamos contra Estados Unidos, ni mucho menos. De vez en cuando sí tenemos que recordarles (aunque lo saben muy bien), que «contamos», que «somos alguien» en música, en pintura, en literatura... que aportamos muchas cosas, y que hay posibilidades inmensas en un mutuo entendimiento.

Hace una pausa y exclama:

—¡Mira, los hispanos, juntos y unidos, seríamos una fuerza invencible!

La huella y la presencia españolas en este magnífico país con extraordinarias. No podemos imaginarlo hasta que no somos testigos de ello, hasta que no lo vivimos. Me llena de emoción y de orgullo comprobarlo ahora por mí misma.

Carlos Fernández Shaw llegaba el otro día maravillado tras uno de sus viajes por varios estados norteamericanos y comentaba:

—Es impresionante llegar a Pensacola, por ejemplo, y encontrate con un fuerte español, con la plaza de Fernando VII, con un monumento a Gálvez... Es realmente magnífico.

(CONTINUA EN LA PAGINA 62)

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Almuerzo en honor de Antonio Hernández-Mancha

El pasado Jueves dia 11, la Spain-USA Chamber of Commerce tuvo el honor de recibir en sus oficinas del Empire State Building a D. Antonio Hernández-Mancha, Presidente de Alianza Popular, partido lider de la oposición.

El Sr. Hernández-Mancha mantuvo una reunión de trabajo con D. Miguel Sebastiá, Director Ejecutivo de esta Cámara de Comercio en la que el Presidente de AP mostró gran interés por las relaciones comerciales entre España y Estados Unidos asi como las posibilidades de potenciación de las mismas a nivel global.

Al término de dicha reunión, y tras entrevistarse con el Sr. Henry Kissinger, el Sr. Hernández-Mancha se presentó en los elegantes salones del céntrico University Club, donde tras un breve cóctel con los socios de esta Cámara, se celebró un almuerzo- Al término del mismo, el distinguido invitado hizo un discurso en el que puso de manifiesto sus puntos de vista sobre diferentes aspectos del ámbito comercial, político y económico de España, para proceder seguidamente a responder a las preguntas de los asistentes.

En primer lugar, quiero dar las gracias al Presidente de esta Cámara de Comercio Hispano—Norteamericana, Don Luis Benítez de Lugo, por su amable invitación a este almuerzo y a todos Vds. por su presencia.

Seria imperdonable que, en la primera visita que hago a Nueva York y tengo oportunidad de establecer contacto con pioneros del mundo de los negocios españoles y americanos, les aburriese con un largo monólogo, pintándoles la vida de color de rosa, prefiero que mis palabras sean breves, para luego, si el Presidente lo estima así, seguir con el diálogo que consideren oportuno, porque creo más enriquecedora la dialéctica de los intereses que se les plantean, que el monólogo que yo pudiera esbozar.

Me parece obligado, junto con mi agradecimiento, hacer una exposición de motivos, que pueda servir de canal inicial a ese enriquecedor coloquio posterior.

Circunscribiéndonos a las cuestiones, que puedan ser de mayor interés para Vds., éstas primeras palabras se basarán, principalmente, en el intercambio de relaciones comerciales, programas económicos y análisis de la situación política española, tanto en su faceta nacional como internacional.

No creo pecar de demasiado optimista, al sentirme orgulloso por haberse logrado esa difícil transición política, mérito atribuible absolutamente a todos los españoles, del paso de un régimen de autoridad a un sistema democrático, pese a los agoreros, que vaticinaban nuevos enfrentamientos fratricidas a la muerte de Franco, con la consiguiente frustración de este proceso democrático que, desde el punto de vista político, yo hoy ya considero concluido y del que, segun tengo constancia, se maravillan otros países de nuestro entorno.

Las dificultades fueron grandes porque, en España, tuvimos la mala fortuna de que coincidieran la necesidad de la transición de regimen con la peor crisis económica que, al menos yo, he conocido, y tratar de hacer ambas cosas al unísono es, creanme, francamente dificil. Por tanto reconozco el mérito que tuvieron los gobiernos precedentes de UCD e, incluso en lo que tengan de plausible, algunas determinaciones políticas del actual gobierno del PSOE.

Sólo desde el reconocimiento de los aciertos, tendremos derecho a criticar los errores.

Después de esta corta exposición histórica, de las condiciones en que afronta España su cambio político a la Democracia, quiero traer ante Vds. una visión de futuro, que es de lo que yo trato de impregnar mi dedicación

Antonio Hernández-Mancha durante su discurso en el University Club. Izquierda a derecha, Joaquín de la Infiesta, Francisco J. Collar, Sr. Hernández-Mancha, y Luis Benítez de Lugo.

Sr. Hernández-Mancha (izquierda) habla con dos ex-presidentes de la Cámara, Felipe Propper de Callejón y Fernando Aleu, y el presidente actual, Luis Benítez de Lugo.

política, mirando mucho menos al pasado y mucho más al futuro, en la creencia de que estamos en una situación óptima para que España consiga un puesto protagonista en el concierto de Occidente.

Ahora bien, no debemos recrearnos narcisistamente en los laureles de haber hecho la transición política. Yo, en este momento, en mi proyecto de futuro, siento gran preocupación por completar aquella transición política, con una adecuación de nuestra estructura ecónomica y social a la del mundo al cual ya pertenecemos, y con el que tenemos severos compromisos. Competir con Europa y América desde un sistema proteccionista, de máxima intervención estatal sobre todos los sistemas económicos y comerciales, sería tirar "a priori" la toalla de la competencia. Si seguimos alentando un sistema de Seguridad Social, esquilmador de la Pequeña y Mediana Empresa y tercer mundista en las prestaciones que le hace al teórico beneficiario, difícilmente vamos a conseguir ese incremento de actividad ecónomica, imprescindible en el momento presente para que la creación de riqueza que conlleva determine su ulterior reparto.

Los desequilibrios anquilosados de nuestro crecimiento, que hacen las cifras macroeconómicas más recientes muy presentables—llegando casi al 5% de crecimiento, con una inflación contenida el año pasado también por debajo del 5%—son grandes noticias, pero, hacerlo al costo social de tres millones de parados, cifra que habría que discernir estadísticamente, ha puesto el dedo en la llaga. El subempleo, la economía sumergida, y el ansia recaudadora sistemática de un Estado, que absorbe beneficios de todas partes, cebándose, sobre todo, en aquellos que cuentan con menor infraestructura, menor entidad y, por lo tanto, menor capacidad de maniobra, haciendo que cierren miles y miles de empresas de menos de quince trabajadores, éste es el gran cáncer, que determina la actual situación de desempleo.

No es válido decir que hay mucha gente cobrando el subsidio de desempleo y trabajando clandestinamente, hay que analizar la etiología de por qué se trabaja clandestinamente, aclarando, que multitud de empresarios encuentran en este sistema, la salvación de unos márgenes de beneficio que, de otro modo, no existirían, sin necesidad de cotizar a la Seguridad Social, tan onerosa como ineficaz.

En mi tesis de futuro, considero que hay que plantearse seriamente la transición socio-económica, teniendo en cuenta que España no lleva 60 años de régimen intervencionista sino 150, y que tiene que competir en este momento con países que comenzaron con el liberalismo manchesteriano y que supieron mitigarlo a tiempo, unos desde la doctrina social de la Iglesia, vertida en encíclicas papales, y en otros, a través de un humanismo laico de máxima eficacia empresarial, que determinaba, que para que el trabajador produjera más tenía que estar mejor tratado y mejor alimentado.

Todas las naciones de nuestro entorno han llegado a la misma conclusión. Nunca, de la explotación del hombre por el hombre se consiguen los máximos beneficios. El resultado siempre ha sido el mismo, ya sea como consecuencia de una exigencia moral, humanística o laica, y no es predicable ese resultado, con la forma que tiene enfocada la economía española la relación entre producción de bienes y servicios y, lo que es peor, la relación entre la Sociedad y el Estado.

Si, lo que ha supuesto en toda Europa la solución de la crisis energética del 73, ha sido la liberalización, es por lo que considero que, en España, es necesario afrontar una liberalización estructural. Tenemos, es mi tesis inicial, un Estado demasiado grande orgánicamente, demasiado controlador funcionalmente y demasiado vago, desde el punto de vista de las horas y la calidad del trabajo que prestan no sus funcionarios sino, aquellos que, bajo el ropaje de los mismos, vienen vinculados por connotaciones ideológicas, y no por la profesionalidad, la experiencia la capacidad, para el servicio público.

Sabemos que es difícil la formula que nosotros defendemos, de reducir el papel del Estado y que avance la Sociedad. Nuestra sociedad española muchas veces padece el síndrome del adormecimiento, considerando más

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ANTONIO HERNANDEZ-MANCHA (CONTINUA)

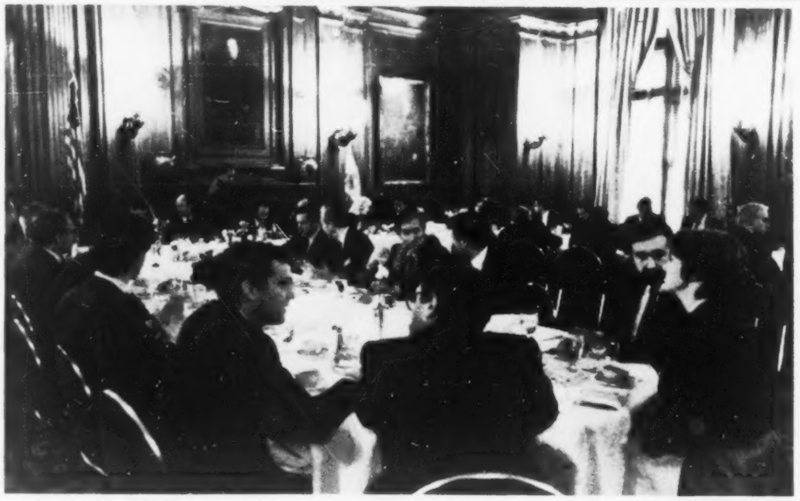
comodo renunciar a su propia libertad y capacidad de iniciativa privada creadora, con tal de estar, como decía D. Benito Perez Galdós, pastando en los Presupuestos del Estado. Menos digno pero más comodo. Estoy convencido, de que la única manera de competir en terminos de igualdad es liberalizando nuestro sistema, atribuyendo el mérito a la capacidad de generación de riqueza. Solo así seremos, dentro de pocos años, capaces de nacer frente a nuestros competidores, no solo norteamericanos, sino europeos—de Francia, de Alemania o de Gran Bretaña.

Es preciso un estado más pequeño, desde el punto de vista orgánico, porque la vigente Constitución española ordena transferir competencias a las 17 Comunidades Autónomas, aunque se da el caso, hoy día, que multitud de esas competencias estan duplicadas, triplicadas o cuadruplicadas, en base a una estructura de poder municipal y provincial, que sigue indeleble.

En nuestra tesis, por lo tanto, reducimos organicamente el Estado, despojando al poder central de todas las competencias transferidas a las Comunidades Autónomas, aliviándole, a la vez, de esa burocracia, que, lejos de ayudar al servicio público, lo impide y lo cercena, y si ya tenemos un orden jurídico, que establece constantes autorizaciones, permisos y licencias, y si luego quien tiene que ejecutarlas, no son unas Cortes Generales o un Consejo de Ministros, sino un señor detrás de una ventanilla, con el eterno "vuelva Vd. mañana", que y comentaba Larra, no habrá ni Empresa que crezca ni nuevos empresarios dispuestos a asumir un riesgo.

España, que lleva 150 años, como antes decíamos, con un sistema estatal proteccionista, se ha encontrado inmersa siempre en una autarquía, que le ha hecho volver la espalda a sus relaciones exteriores, no solo en el ámbito cultural y político sino también en el comercial.

Timidamente, la fuerza de los acontecimientos imponen en 1959 afrontar un Plan de Estabilización para abrir, a partir de 1963, al mercado exterior nuestras relaciones, pues estaba claro que la vieja autarquía, surgida después de la Guerra Civil, lo más que podía sufragar era el Auxilio Social, pero, en modo alguno, un bienestar semejante al de los países de nuestro entorno.



Aparte de ello, antes o después España entraría en el avanzado sistema de los medios de comunicación y no podía seguir vistiendo trajes raídos y alpargatas, en contraste con el bienestar de los países europeos.

Se inicia pues, la apertura exterior, con un sistema político no homologable a las democracias occidentales, con la hipoteca consiguiente para las relaciones económicas y comerciales, que empezarían a normalizarse a partir de 1975, y sobre todo del 76 y 77, con las primeras elecciones, que hacen a nuestro sistema político plenamente homologable y homologado, no así en nuestras relaciones de intercambio, donde España hace dumping, pero dumping en contra suya, con una competencia desleal, en la que el inversor extranjero esta primado y, sin embargo, el nacional prefiere dejar de ser empresario, si es que lo consigue y someterse a una nómina, aunque sólo sea de la asistencia social.

Izquierda a derecha: Joaquin de la Infiesta, Xavier Serrado, Antonio Campos, Juan C. Recoder y Agustin Nuñez.

Tenemos un deficit público, que, como decimos en Extremadura, es la tinaja de Guadalupe, que nunca se llena. Queremos que el Estado viva con menos dinero, porque el índice de crecimiento del gasto público, es muy superior al índice de crecimiento del PIB y así nunca nos saldrán las cuentas. Estamos generando una Deuda Pública, de la que el profesor Fuentes Quintana ha hecho un análisis histórico de los últimos diez años, que me ha parecido maravilloso por su calidad tècnica y el desapasionamiento político de sus consideraciones, en el que destaca que el brillo momentáneo de una bengala para un Alcalde de hoy o un Presidente de una Comunidad Autónoma se traducirán mañana en impuestos. Nadie piense que podemos seguir contemplando pacificamente como el gasto de consumo público cercena las posibilidades de inversión, evitando la consiguiente creación de puestos de trabajo necesarios para que España recuperare lo que en este momento no existe: una auténtica política social y no paternalista.

Creemos que, en este momento, la inversión nacional, o se adormece o se disfraza, porque si no se disfraza de extranjera tiene que competir deslealmente, por el régimen fiscal que la sanciona. Las inversionas extranjeras, que tan bien lucen en los cuadros macroeconómicos, son más especulativas que generadoras de puestos de trabajo, ya que no sólo, deberiamos considerar la frialdad de los números sino, la resolución de un flagrante problema social, como es ese 22% de desempleo, que nos aleja de Europa, actualmente con la mitad de ese porcentaje, y nos

(CONTINUA EN LA PAGINA 30)

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Assistant Editors
BRUNO RICARD
ASUNCION IGLESIAS

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FROM THE EDITOR

En este ejemplar...

Recogemos en este número de invierno la intensa actividad desarrollada por la Cámara desde la última aparición de nuestra publicación. Destaca por su importancia la visita girada por el Director Ejecutivo a las más importantes cámaras de comercio en España con el fin de ampliarles información sobre nuestro proyecto de promoción de empresas españolas en EE.UU., que tanto interés ha despertado en distintas instancias de nuestro pais.

En cuanto a Norteamerica, la actividad se ha desdoblado tanto por la labor de la Oficina Comercial a través de sus distintos departamentos de promoción, como por los contactos mantenidos con las Cámaras Españolas de Miami y Puerto Rico, buscando el estrechamiento y la fluidez de relaciones.

Han sido muchas e importantes las visitas recibidas durante estos meses, lo que reafirma a la Spain-U.S.A. Chamber of Commerce como un foro de encuentro cada vez más idóneo para la discusión de los asuntos bilaterales. Politicos y empresarios han desarrollado sus diferentes puntos de vista en el marco de nuestra institución, todos con el común punto de vista de la mejora de relaciones entre España y Estados Unidos.

Por último, informarles que se ha llegado a un acuerdo con el Gobierno Autónomo de las Islas Canarias para la realización de una semana de actividades promocionales de las Islas en Nueva York, que culminará con la brillante y tradicional Cena de Gala el próximo 6 de Mayo, dedicada a las "Islas Afortunadas".

Solo queda ya desear a nuestros lectores una placentera lectura del contenido de este número de "The Business Link, número que será el último que se edite bajo la supervisión de quien suscribe estas lineas. Nuevas obligaciones profesionales, ligadas en buena parte a esta Cámara, impedirán que siga al frente de la publicación como hasta ahora. Vayan pues—con estas lineas de despedida—mi agradecimiento a todos los que con su esfuerzo han hecho posible el mantenimiento y continua mejora de esta tribuna viva de España en los Estados Unidos.

* * *

A punto de entrar en imprenta, llega a nuestra redacción la triste noticia del repentino fallecimiento de Manuel Pinto, Vice-Presidente Ejecutivo para Estados Unidos de Iberia y miembro del Consejo Directivo de esta Cámara. El siempre afable y bien dispuesto Manuel, estaba trabajando desde hacia meses en la puesta en marcha en esa ciudad de las nuevas oficinas centrales de la compañia aérea en Estados Unidos.

Enviamos a su viuda Teresa asi como a sus hijos, nuestro más profundo pesar, y en él no solo el de los que en la Cámara trabajamos, si no también el de los socios y amigos de la misma.

ANTONIO CAMUÑAS, Editor

Jornadas de Trabajo en Espana

Es una realidad que el intercambio comercial entre España y Estados Unidos es notablemente inferior al de los países europeos de cabecera quienes, salvo contadas excepciones, han aprovechado el boom importador norteamericano de los pasados años para aumentar sus participaciones de mercado y consolidar sus exportaciones via creación de marca y penetración en los canales de distribución.

Un efecto de ello—hay quien cree que causa—es la mínima implantación de empresas españolas en EE.UU., elemento clave para levantar el nivel de exportaciones y crítico para la consolidación de las mismas.

Como contribución al incremento de relaciones comerciales la Cámara de Comercio España-EE.UU. ha diseñado un proyecto "Promoción de empresas españolas en Estados Unidos", basado en la colaboración con las Cámaras de Comercio Españolas, entidades bancarias, organismos oficiales y basicamente empresas de forma que, entre cuatro compañías, compartan un promotor/representante en Nueva York, si bien con unos gastos de estructura mínimos al establecerse el promotor en las oficinas de esta Cámara en el Empire State.

Con el objetivo de dar a conocer en detalle el proyecto a otras Cámaras de Comercio—en 1987 participaron las Cámaras de La Coruña, Madrid, Barcelona y Región Valenciana—el Director Ejecutivo de la Cámara efectuó recientemente un amplio e intenso recorrido por España entre las que destacaron las visitas a las Cámaras de Madrid, Barcelona, Valencia, Murcia, Sevilla, La Coruña, Oviedo, Aviles, Bilbao y Terrassa; entidades financieras como Banco de Bilbao, Caja de Ahorros de Valencia, Caja de Murcia, Banco de Sabadell, Caixa de Barcelona, Caixa de Pensions y Banco Guipúzcoano, organizaciones comerciales tales como AMEC (Asociación multisectorial de exportadores de Cataluña), GDS-Comercio Internacional, Ministerio de Economía, ICEX (Instituto de Comercio Exterior), así como empresas, organismos oficiales, medios de comunicación y organizaciones feriales. ☐

Lideres españoles visitan la Cámara

EL SECRETARIO GENERAL DE ALIANZA POPULAR

Arturo García-Tizón (a la izquierda) con el Director Ejecutivo de la Cámara.

Esta Camara de Comercio fue visitada el pasado día 28 de Enero, por D. Arturo Garcia-Tizón, quien mantuvo una larga reunión de trabajo con nuestro Director Ejecutivo, Sr. Miguel Sebastiá.

El Sr. Garcia-Tizón es miembro del Congreso, Secretario General de Alianza Popular (A.P.) y miembro del Comité Ejecutivo del partido líder de la oposición.

Invitado por la United States Information Agency (USIA), el Sr. Garcia-Tizón, ha estado viajando por los Estados Unidos, visitando varias entidades y corporaciones americanas. Entre otros temas el Sr. Sebastiá le informó de las relaciones comerciales bilaterales entre España y Estados Unidos y de la situación actual de las mismas.

El Sr. Tizón mostro gran interes en conocer la potencialidad del mercado norteamericano y en como este puede ser aprovechado al máximo, coincidiendo con la Cámara en que ello solo podra ser posible en la medida en que más empresas españolas se establezcan, o como mínimo, mantengan oficinas de representación en EE.UU. ☐

EL PRESIDENTE DE LA FEDERACION DE CASAS REGIONALES Y PROVINCIALES

Nuestras oficinas del Empire State Building se vieron honradas con la visita de D. Ignacio Buqueras y Bach, presidente de la Federación de Casas Regionales y Provinciales de España y presidente del Comité Ejecutivo del I Congreso Hispano Americano de Casas Regionales y Centros Españoles.

El Sr. Buqueras que preside la Federación desde 1983, nació en Reus (Tarragona), hace 45 años. Casado y con dos hijos, es economista, periodista y técnico superior en relaciones públicas. En el mundo empresarial destaca su vinculación a los temas de comunicación.

Prolífico escritor, es autor del libro "Redescubrir America, Descubrir España". ☐

EL DIRECTOR GENERAL DE RELACIONES CON LAS COMUNIDADES GALLEGAS DE LA XUNTA DE GALICIA

El pasado 26 de Enero, la Spain-USA Chamber of Commerce, tuvo el honor de recibir en sus oficinas a D. Andres de Souza Iglesias, Director General de Relaciones con las comunidades gallegas de la Xunta de Galicia.

El Sr. de Souza, mantuvo reuniones con altos cargos de la Administración Española en EE. UU., como Manuel Sassot, Consul General en Nueva York y Joaquín de la Infiesta, Consejero Comercial, así como con relevantes personalidades del mundo comercial y empresarial americano.

En la reunión mantenida con el Director Ejecutivo de esta Cámara de Comercio, Miguel Sebastiá, se le hizo entrega al Sr. de Souza de una propuesta formal para el desarrollo de un proyecto conjunto de introducción de empresas Gallegas en EE. UU. Dicho proyecto constaria basicamente de una semana de reuniones entre empresarios gallegos e importadores norteamericanos, publicación de un amplio reportaje monográfico en la revista de la Camara, *The Business Link*, y del envío de un segundo promotor de empresas gallegas que tendria su centro de operaciones en nuestra Cámara. ☐

Almuerzo en honor del Consejero Delegado de Schweppes España

El pasado 25 de Enero, tuvo lugar en los nobles salones del Spanish Institute en Nueva York, un almuerzo en honor de John de Zulueta Greenbaum, Consejero Delegado de Schweppes España.

Tras un interesante discurso por parte del invitado de honor sobre la coyuntura económica española y sus perspectivas de futuro, el Sr. Zulueta contestó a las preguntas formuladas por los asistentes.

El Sr. Zulueta es diplomado en historia por la Universidad de Stanford (California) y tiene un masters en administración de empresas por Columbia University (Nueva York). También ha sido representante en Venezuela de Pepsi-Cola, viajando a menudo por el continente asiático. Ya en España el Sr. Zulueta desarrolló su actividad profesional durante cinco años en Pepsi-Cola Barcelona, pasando posteriormente a Madrid con la compañía Schweppes. ☐

La Cámara de Terrassa estudia el mercado norteamericano "in situ"

Ramón Trenchs (al centro) y miembros de la delegación de la Cámara de Terrassa con Kay McDermott y John Saunders (a la derecha) de la New York Chamber of Commerce.

Debido al interés demostrado por comerciantes de diferentes sectores para conocer las novedades que sobre los mismos se producen en los Estados Unidos, la Cámara de Terrassa (Barcelona), organizó un viaje comercial multisectorial a este país con el objetivo de estudiar "in situ" el desarrollo del sector comercial y conocer las tendencias del comercio y las innovaciones en los sistemas de distribución, puntos de venta y sistemas de gestión, así como el funcionamiento de las Asociaciones de Comerciantes de ese país.

La misión, formada por 48 personas y encabezada por el Sr. D. Ramón Trenchs, Presidente de la Cámara Catalana estuvo en Nueva York durante los días 15 al 18 de noviembre, visitando nuestra Cámara la cual preparó un amplio programa de reuniones y visitas a nivel individual y colectivo.

En nuestra sede fueron recibidos por el Sr. Miguel Sebastiá, Director Ejecutivo, quien hizo referencia a la situación actual del comercio en los Estados Unidos y en especial al sistema de libertad de los horarios comerciales, a las formas de promoción, merchandising, publicidad, codificación y utilización del scanner, el alto grado de especialización, etc.

En las reuniones se contactó con la Office of Business Development New York City y la New York Chamber of Commerce Inc., se efectuaron visitas concertadas al Centro Comercial "The Gallery" en White Plains y a las Galerías "Trump Tower" de Nueva York.

También procedieron a una visita general a diversos sectores de Manhattan, grandes almacenes, centros comerciales de la ciudad, así como tiendas especializadas en los sectores a los que pertenecían los participantes de la misión. De todo cuanto pudieron observar y conocer, los comerciantes destacaron la gran importancia dada por el comerciante americano a todos aquellos aspectos que hacen sentir al cliente a gusto y atraído por el establecimiento: la iluminación de los establecimientos, los amplios espacios de paso y la cuidada presentación de sus productos. En los centros y galerías comerciales los catalanes destacaron las tendencias de funcionalidad, la especialización de sus tiendas, organización basada en contar con pocos dependientes, los grandes servicios de parking, restaurante y de espacios ajardinados.

La valoración del viaje fue en conjunto muy positiva y la mayoría de los participantes encontraron, que si bien ciertos conceptos no son trasladables a su país por motivos normativos y estructurales, otros si pueden ser de aplicación.

Por último, y determinados por la satisfacción producida entre los participantes, la Cámara de Terrassa está preparando otra misión comercial en este mismo campo la próxima primavera. ☐

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Misión Comercial del sector agroalimentario de Murcia visita EE.UU.

"Consolidar esta presencia y abrir nuevos canales de comercialización eran los objetivos de esta importante oferta industrial murciana . . ."

El instituto de Fomento de la Región de Murcia, dentro de sus objetivos de promoción exterior, llevó a cabo el pasado noviembre un programa de actuaciones en los Estados Unidos y en Costa Rica, bajo la forma de una Misión Comercial compuesta por empresarios del sector agroalimentario, a la que se sumaron diversos representantes de otros sectores, y unas Jornadas de Promoción de inversiones en la Región.

La embajada murciana estuvo encabezada por el Presidente de la Comunidad Autónoma, D. Carlos Collado, acompañado por el Consejero de Economía, Industria y Comercio, D. Francisco Artés, y el señor Consejero de Presidencia D. José Almagro. Como ya es sabido, el señor Collado hubo de interrumpir su viaje en Miami y regresar a España a causa de las inundaciones que por aquellos dias sufrió la Región.

Por lo que respecta al programa comercial, diseñado por el Instituto de Fomento en colaboración con las Oficinas Comerciales de la Embajada de España y la Spain-USA Chamber of Commerce así como la cámara de comercio Española de Miami, se caracterizó por un ámplio programa de visitas a importadores, mayoristas, cadenas de alimentación y centrales de compra por parte de los representantes de firmas agroalimentarias, la mayoría de las cuales cuentan con cuotas de exportación de sus productos hacia el mercado USA. Consolidar esta presencia y abrir nuevos canales de comercialización eran los objetivos de esta importante oferta industrial murciana en los distintos niveles del mercado de consumo americano.

Hay que señalar que del total de exportaciones regionales a USA, más de dos tercios corresponden a este sector, y que las expectativas apuntan hacia una potenciación de dichas exportaciones, de acuerdo con los datos que revelan el análisis de la balanza comercial Murcia-USA y los buenos resultados obtenidos por las acciones directas de los empresarios murcianos en esta Misión Comercial.

Almuerzo en el University Club

Como se recordará, en el número de otoño de esta revista se incluyó una separata especial dedicada en exclusiva a región murciana y al Instituto de Fomento de la Región de Murcia. De este modo se ensalzó la imagen de la región y sus productos en una tan importante ciudad como es Nueva York.

Organizado por la Spain-USA Chamber of Commerce, se celebró un almuerzo en una de las nobles salas del clásico y prestigioso University Club en el corazón de la Quinta Avenida. En dicho almuerzo, el presidente de la cámara, D. Luis Benítez de Lugo, entregó el último número del *Business Link* conteniendo el reportaje monográfico sobre la Región de Murcia a D. Carlos Collado, presidente de la Comunidad Murciana. Igualmente se le entregó al Consejero de Economía e Industria y Presidente del Instituto de Fomento de la región de Murcia, D. Francisco Artés, una copia del proyecto de promoción de empresas españolas en EE.UU., que esta Cámara de Comercio está llevando a cabo tan satisfactoriamente con otras Comunidades Autónomas, y con la esperanza de poder contar en las oficinas del Empire State y en 1988 con un promotor de empresas murcianas.

(CONTINUA)

Momento en que el Presidente de la Cámara, Luis Benitez de Lugo, hace entrega al Presidente de la Comunidad Autónoma de Murcia, Carlos Collado, del primer ejemplar del número especial sobre la Comunidad Autónoma publicado en nuestra revista.

MURCIA

Presentación en el Spanish Institute

Por otro lado, el Instituto de Fomento organizó una serie de actos de promoción de la Región de Murcia. En Nueva York, en el Spanish Institute, tuvo lugar la Presentación de la Región de Murcia, con intervención del Consul General de España en Nueva York, Embajador Manuel Sassot, y una conferencia a cargo del Presidente de la Comunidad Autónoma, D. Carlos Collado. Un video sobre aspectos socio-culturales de la Región cerró este primer acto en esta prestigiosa institución española cuya presidencia ostenta Doña Inmaculada de Habsburgo Lorena.

Programa Para Representantes de Grupos Financieros y de Inversiones

Otro acto importante del programa celebrado en Nueva York tuvo lugar en el Grand Hyatt Hotel que reunió a más de un centenar de representantes de grupos financieros y de inversiones. Bajo el título "Murcia, una Región con futuro", el presidente, señor Collado, tras una introducción a cargo del Consejero Comercial de la Embajada de España en Nueva York, D. Joaquín de la Infiesta, trazó una panorámica general de la Región de Murcia destacando las grandes expectativas que se abren tras la clasificación de la Región como Zona I o de interés prioritario por los fondos estructurales de las Comunidades Europeas. En torno a la nueva oferta que se abre en la Región para la captación de inversiones y otras ventajas comparativas que sin duda reune nuestra Región, el señor Collado expuso las óptimas condiciones que se presentan para la inversión privada extranjera. A la intervención del Presidente siguió la proyección de un video de estructura económica y de oferta de inversiones realizado por el Instituto de Fomento.

Paralelamente al desarrollo de la Misión Comercial propiamente dicha y a los actos generales de promoción citados anteriormente, el Instituto de Fomento llevó a cabo una importante línea de actuación en Nueva York. De este modo, uno de los principales objetivos del viaje—la promoción de inversiones en la Región—se iba cumpliendo gracias al programa de contactos bilaterales previsto meses atrás entre el Instituto de Fomento y diversas firmas y grupos financieros interesados en crear las condiciones objetivas para canalizar inversiones hacia la Región de Murcia.

La primera visita tuvo lugar a las instalaciones de un grupo ubicado en Portland, estado de Maine, cuyo proyecto de inversión en Murcia tiene un carácter inmediato; en la ciudad de Nueva York, el Instituto de Fomento, con la presencia de su director, D. Hilario Alarcón, mantuvo contactos con una serie de bancos norteamericanos interesados en el estudio de determinados proyectos presentados por el Instituto (First Chicago, First Boston, Drexel Burnham Lambert). Asimismo hubo una reunión con Transnational—una de las compañias que participan en el Programa de Compensaciones FACA—con quien el Instituto mantiene una constante relación, al objeto de impulsar los programas de colaboración con empresas murcianas en proyectos de tecnologia, reactivación de exportaciones, instalaciones industriales, formalización de "joint-ventures", etc. □

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TRADE

Protectionism and the Stock Market Crisis

"October 19 was a timely reminder for us all of the dangers of embarking on the protectionism of the 1930's."

by Roy Denham

Black Monday on October 19 on Wall Street did several things. First, it sent a loud and clear signal of alarm in the financial markets at the twin deficits of the United States—the budget deficit and the trade deficit. A national debt in 1980 of $900 billion accumulated over two centuries had risen in 1987 to $2.4 trillion. These massive budget deficits were accompanied by a tightening of credit by the Federal Reserve to fight inflation. The result was high interest rates, which in turn drew money from all over the world, pushed up the dollar's value and created massive trade deficits. The U.S. trade deficit more than quadrupled, from $36 billion in 1980 to nearly $160 billion in 1986. It had been hoped that the decline in the dollar would deal with the trade deficit. But the August trade figures showed the deficit still alarmingly high. The signal a few days later on October 19 was that deficits of this magnitude were no longer sustainable. And the continuing trade deficits show that the problem is not going away.

The second thing October 19 did was to make it clear to all what the financial world had known for some years: that we are now living in a global economy. In New York, the stock market closes at 4 p.m.; at 7 p.m. Tokyo opens. Tokyo closes at 1 a.m. (New York time); Honk Kong and Singapore go on somewhat longer. At 7 a.m. London opens. The result is seen in the immediate effect the Wall Street crash had on other financial markets. Between October 14 and November 19, the drop in key indices was 20.4 percent in New York, but 31.6 percent in Frankfurt and 29.7 percent in London. In other words, no country—even one as large as the United States—can ignore the global economy. The third result is linked to the second. As Bill Brock (former Secretary of Labor) recently pointed out—and got a fair degree of support—for the United States to enact protectionist trade legislation now would be as damaging as the Hawley Smoot legislation of 1930.

How serious are protectionist tendencies in the United States? Protectionism is a danger periodically in every country. The United States has no monopoly. But there have been strong protectionist pressures over the last year or so, partly because of the trade deficit and the rising tide of imports, and partly because of a deep-rooted feeling among many in Congress that if foreigners were to abolish their unfair trading practices, the American trade deficit would be removed. These concerns are mirrored in the trade bills now before Congress.

As we constantly point out, for any country to think it can deal with a trade deficit by legislation is an illusion. A trade deficit results from a combination of the exchange rate, macro-economic policy at home and abroad and the competitiveness of domestic industries. In the case of the United States, the dollar has fallen substantially. Steps are being taken to deal with the budget deficit and there is evidence that U.S. goods have become more competitive. The trade deficit has already begun to shrink in terms of volume, but it has been slow to fall in terms of value. Indeed, the October figures show a record deficit. Several reasons are responsible: the well-known delayed effect of devaluation (the "J curve"), the fact that the dollar has not fallen substantially against the currencies of many competitors, an appetite developed by the U.S. consumer for foreign goods and the fact that foreign suppliers have shaved their profit margins in order to keep that market share. But to enact legislation next year that would, for example, mandate action against foreign trade practices at the drop of a hat would simply result in retaliation by others, a major disruption of world trade and a very real threat to the current Uruguay Round of trade negotiations which the United States did so much to support.

Commissioner Willy De Clercq came to Washington in July of 1987 to put our concerns fairly and squarely to the Administration and leading Members of Congress. And in September he followed this up with a letter to U.S. Trade Representative Clayton Yeutter, with copies being sent to some 150 Members of Congress. We hope our representations have had some effect. The President has said that he will veto a protectionist bill, and Speaker of the House Jim Wright has announced that the bill is unlikely to go to the President before February of next year. Let us hope that with the action now being taken to deal with the budget deficit and the effect which the fall in the dollar must in time have on the trade balance, that protectionist pressures will ease. But, however this plays, October 19 was a timely reminder for us all of the dangers of embarking on the protectionism of the 1930s.

SIR ROY DENMAN, K.C.B., C.M.G., has been Head of the Delegation of the Commission of the European Communities to the United States since 1982. As Deputy Secretary of Britain's Department of Trade and Industry in the 1970's he was a member of the United Kingdom delegation that negotiated his country's entry into the European Community.

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Devising a program to minimize market risks and maximize security for the payment of the purchase price for previously delivered merchandise

By Michael H. Greenberg

This is the first of what I hope will be a series of articles helpful and informative to the Chamber's membership. As a lawyer, and the Chamber's informal legal advisor, my thoughts tend to turn to subjects with legal aspects. My present subject was suggested to me by a most intelligent client (whom I will refer to for convenience as Mr. Smith), a businessman who knows the wisdom of the old adage, "whatever goes up must also come down."

There currently is a boom in the steel trade (as in a number of the metal trades)—due in part, at least, to an artificial shortage caused by a protectionist program of so-called voluntary restraint arrangements (or VRA's) on imports forced upon our trading partners (among them Spain), by the U.S. Government, at the behest of the domestic steel industry. Mr. Smith is concerned that this boom may come to a precipitous end. In such a case, the consummation of contracts might be put in jeopardy. Of even more concern, some of Mr. Smith's clients might themselves be in financial jeopardy. Healthy-appearing balance sheets can quickly take on a sickly look when the market value of inventory drops 30 or 40 percent or more, as has sometimes happened in the steel and nonferrous metal trades in prior recessions.

Therefore, Mr. Smith called upon my firm, his corporation's attorneys, to devise a program as much as possible to minimize market risks and to maximize security for the payment of the purchase price of previously delivered merchandise. The program we proposed and Mr. Smith accepted involved: (a) a review and revision of his corporations general sales terms; (b) the execution of security agreements and appropriate Uniform Commercial Code ("UCC") filings to secure priority liens on inventory, where possible; and (c) personal guarantees by principals where the customer is a closely-held corporation.

If I were to attempt to deal with each of these aspects of the program in detail here, there would be material for four articles instead of one—something our learned editor, Mr. Camuñas, would not countenance for this issue. Therefore, I will attempt briefly to summarize each subject with the understanding that, if members express a strong interest in a subject, a longer and more thorough article on that subject may appear in a subsequent issue.

(a) Terms of Sale

The starting point of any review of a sales program is the client's contract. The terms and conditions of sale pursuant to which a business sells may be helpful or unhelpful in the event that a dispute with a customer develops, depending upon whether they are crafted to give the seller those advantages which the law permits. Surprisingly, an otherwise modern, forward-looking company may have printed terms and conditions of sale which are seriously out of date, if it has any at all.

The Uniform Commercial Code, which governs most commercial transactions between contracting parties located in the United States, has been adopted throughout the states of the United States over the last three decades since its original adoption in 1954 by Pennsylvania. Yet I am sure that some of your business readers will find, if you inquire, that your companies' sales terms have not been reviewed and updated even to take UCC changes into account.

Most recently, a U.N. sponsored Convention on the International Sale of Goods ("CISG") has been adopted by the major trading nations, including the United States and Spain. I doubt that many companies, particularly medium-sized ones, some of whose contracts are between nationals of signatory nations and thus are within the scope of CISG, have examined their terms of sale (or purchase) to see how this international convention will affect them.

The UCC permits contractual variations from the otherwise applicable legal standards in important areas, among them the negativing of implied warranties, and restrictions on the measure of damages and remedies of the buyer. A seller also may be able to choose the location and tribunal where disputes are to be adjudicated, if voluntary settlement is not possible.

In this regard, it may be advantageous to choose arbitration under the auspices of the American Arbitration Association ("AAA") in the state of seller's principal office. The AAA has its main office in New York City and other offices in every major U.S. city. While arbitration may not always be the best choice, it often has the advantages for the seller of greater speed and lower costs than litigation in the courts. Properly secured arbitration awards are enforceable throughout the United States and indeed, under an international convention, around the world.

(CONTINED ON PAGE 62)

MICHAEL H. GREENBERG, is the corporate secretary of the Spain-USA Chamber of Commerce and a member of its executive committee and board of directors. He is a member of the New York law firm of Graubard Moskovitz Dannett Horowitz & Mollen, with specialties in international trade and commercial law.

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NAMES IN THE NEWS

AURELIO TORRENTE, for the past three years Director of the Spanish Museum of Contemporary Art in Madrid, has been appointed new Director of the Tourist Office of Spain in New York.

FRANCISCO MARTIN LOPEZ QUESADA. Proceding from Banco Santander de Negocios, this young executive has been appointed Senior Vice President and General Manager of the New York branch of Banco de Santander.

ANTONIO CAMPOS, with a long tradition in his bank and from his post as Chairman in Puerto Rico, has been promoted to President of Banco Central for North and Central America.

PEDRO TOLEDO (left) and **JOSE A. SANCHEZ ASIAIN** (right), Presidents of Banco de Vizcaya and Banco de Bilbao respectively, two of the most dynamic Spanish banks, have reached a merger agreement, forming the largest Spanish financial institution.

XAVIER SERRADO, after a successfully representing Spanish companies as part of the Chamber's promoters program, has been appointed Representative in the United States of Banco de Sabadell S.A.

ANTONIO CAMUÑAS was appointed at the last meeting of the Board of Directors of the Chamber as Deputy Director on assignment in Spain.

COMMERCE

U.S. Firms: "Get Serious About Spain"

The American business community is not sufficiently aware of the tremendous opportunities for U.S. products and services in Spain.

by Robert A. Kohn

I arrived in Madrid to take up my position as commercial counselor in early September. In the three busy months I've been in Spain I have received some striking "first impressions" of this truly surprising market—surprising because, despite extensive commercial experience in many countries around the globe, I still was not prepared for the excitement of the Spanish market today. Nor do I believe that the American business community is sufficiently aware of the tremendous opportunities for U.S. products and services in Spain.

Construction cranes dot the skyline of every major city—and many smaller ones—in Spain. After stagnating for more than a decade, the economy took off in mid-1985 and registered 3.6 percent GNP growth last year. Official estimates of economic growth for 1987 have been raised repeatedly, with the latest figure set at 4.3 percent—the highest growth rate in Europe—as Spain rushes to catch up with the more developed members of the European Community. Spain joined the EC on Jan. 1, 1986, with a seven-year transition period through 1992 when the Spanish economy must be ready to compete with the rest of Europe. With 1992 in mind—the year of the Summer Olympics in Barcelona and the World's Fair in Seville to celebrate the 500th anniversary of the discovery of the Americas—Spanish industry and business are racing to modernize their operations, upgrade services, and increase output.

Tariffs are coming down as a result of EC accession; consequently, imports have risen sharply—up 33 percent in the first eight months of this year. Imports of capital goods increased 50 percent during the first half of 1987, reflecting increased investment in plant modernization and new projects. Imports of consumer goods also are benefiting, as higher real wages and increased employment have boosted consumer purchasing power. Spanish consumers are demanding greater variety and higher quality products to fit their changing lifestyles. Although traditional values remain strong, Spanish society is undergoing many of the same changes (smaller families, working couples, etc.), experienced in other developed countries, creating opportunities for new products and services.

The Foreign Commercial Service in Spain hosted a franchising trade mission in Madrid during the first week of October and a Matchmaker mission in Barcelona for the computer and electronic components sector ten days later. Both missions drew a tremendous response from the Spanish. The companies that participated in each mission found their appointment schedules fully booked with serious Spanish businessmen, some of whom were ready to sign contracts on the spot. Several members of the Matchmaker had to stay on an extra day in order to satisfy the demand for appointments.

The Matchmaker and franchising trade missions are only two examples. The extensive use by American businessmen of our "refind service" and the number of inquiries at our stand at the recent HOSTELCO (hotel equipment) trade fair in Barcelona provided further evidence of the tremendous potential of this market.

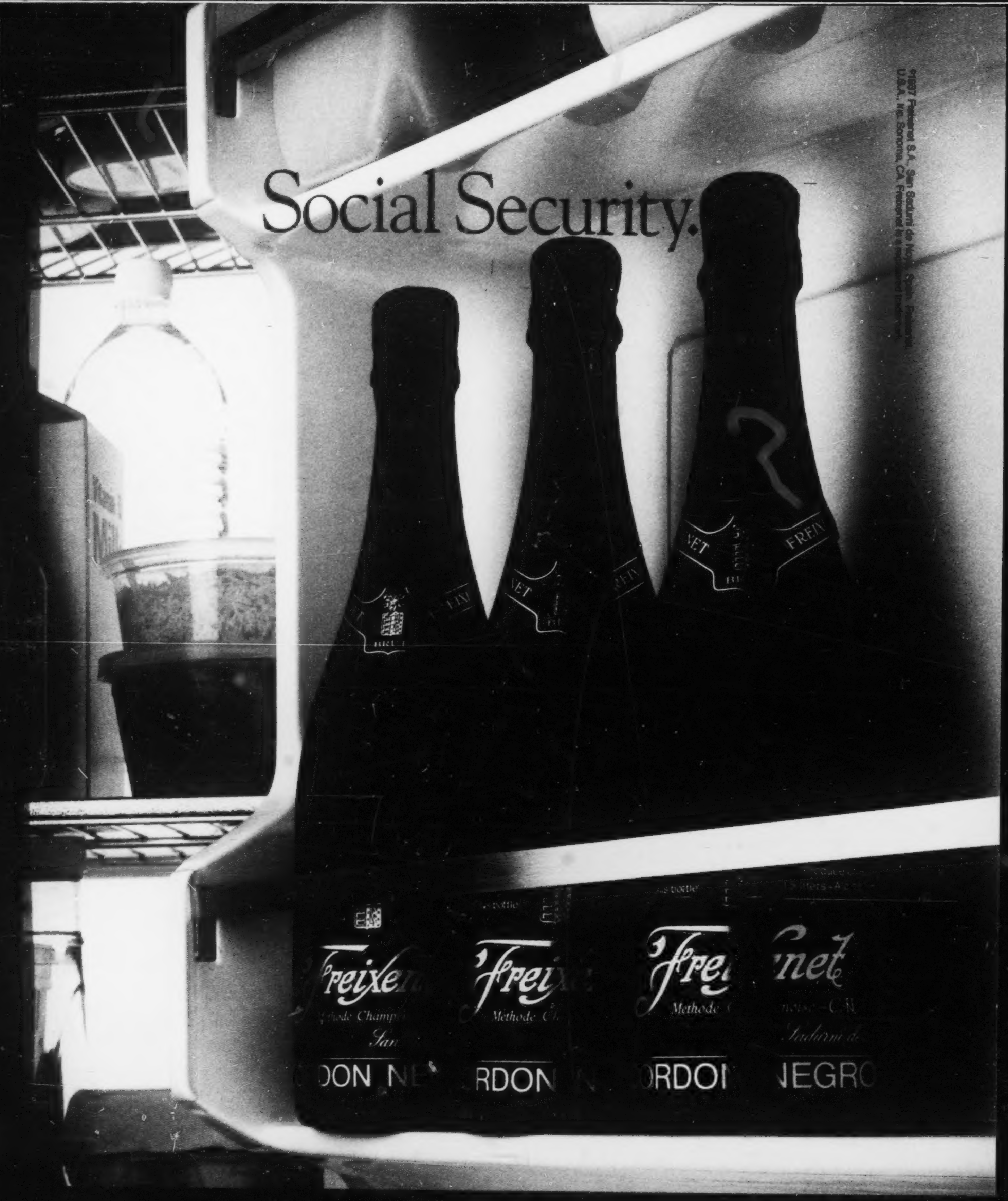
American business visitors coming to Spain expecting the "mañana" mentality—siestas after lunch, and plenty of free time to visit the Prado museum—will be disappointed. The Spanish business community is serious. U.S. businessmen should come prepared to discuss their products, including specifications and price, with potential customers and agents. The competition, especially European and Japanese, is stiff. U.S. products, particularly in high-technology sectors, have a strong reputation; with the decline of the dollar they are once again price competitive. However, U.S. firms must offer competitive delivery, after-sales servicing and credit terms. These may sound like the basics but unfortunately they are all too frequently missing. A Spanish importer frustrated at lack of followthrough by a U.S. supplier recently asked me, "Are you Americans really serious about exporting?"

Americans who rule out contacts with non-English-speaking businessmen risk losing their best customers, usually to European or Japanese competition. The expense of an interpreter is small in comparison with the reward.

The use of the business lunch—also drinks or dinner—is another feature of doing business in Spain. The Spanish businessmen usually wants to know who he is doing business with, not just his contact's credit rating. The business lunch serves this purpose. The conversation initially may range from wine to sports—the American wonders if this really is a serious customer; when the coffee comes, the Spaniard gets down to business. Lunches, consequently, are long but productive if one is patient. As with the interpreter, business visitors must budget their time and expenses for such "hospitality," if they wish to es-

(CONTINUED ON PAGE 59)

ROBERT A. KOHN, a career officer with the U.S. Department of Commerce, became the Commercial Counselor in Madrid in mid-1987. He has previously served in a number of important positions including Commercial Counselor in Athens and as Deputy Assistant U.S. Trade Representative for the Western Hemisphere with the Department of State. Born in New York in 1940, he graduated from Columbia and has a M.A. from George Washington University. He is married, with two sons, and is proficient in Spanish, Greek, Portuguese, German and Russian.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CORDON NEGRO BRUT BY FREIXENET

La creciente importancia del mercado hispano en EE.UU.

"Las empreseas españolas podrían aprovechar las oportunidades que existen en el mercado hispano en Estados Unidos."

Por Armando Gavidia

El crecimiento del número de consumidores hispano parlantes y de su poder de compra, es mucho mayor que la media americana, y representa un segmento de creciente importancia que ofrece grandes oportunidades de negocio hasta ahora no muy bien aprovechadas por las grandes compañías nacionales. Recientes estadísticas de la Oficina de Censos del Gobierno, muestran que la población hispana crece tres veces más rápido que el total, otro estudio indica que los 17.3 millones de consumidores hispanos dispusieron de un poder de compra de 107 mil millones de dólares en el año 1986, estimando que esta cifra llegará en 1990 a 20.4 millones de personas, con 172 millones de dólares para gastar, sobrepasando el poder de consumo de la población negra. (ver gráfico.)

Hasta hace muy poco tiempo este importante mercado pasó casi inadvertido para las grandes compañias americanas de productos de consumo. Hubo numerosos artículos en revistas de marketing y publicidad sobre las características del consumidor hispano y el potencial de negocio que representa, pero la realidad muestra que todavía hoy es un mercado poco desarrollado y sus consumidores no han sido atraídos a través de convencionales campañas de marketing por las marcas líderes.

Existen varias razones, además de las barreras culturales e idiomáticas, que explican por que las corporaciones están desaprovechando esta oportunidad. Una de ellas y quizás la más importante, fue la falta de datos fiables de investigación de mercado. Hasta el censo de 1980, existía muy poca información específica de este segmento.

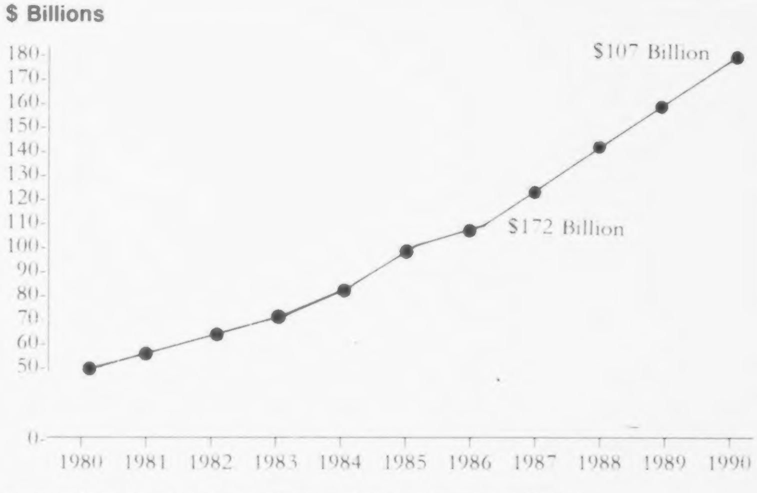
Esto llevó a que las empresas más dinámicas y con visión de futuro hicieran costosas campañas de marketing basadas en datos y generalizaciones incorrectas, que por lo tanto no consiguieron los resultados presupuestados, y dejó malas experiencias en los departamentos de marketing.

Este problema fue corregido y actualmente se dispone de datos fiables y existen compañías que pueden prestar servicios de investigación de mercados, promoción y publicidad dirigidos exclusivamente *al consumidor* hispano.

Otra importante razón es la regionalidad del mercado latino. Se considera que el total esta compuesto por aproximadamente 30 regiones definidas, siendo las 10 más importantes las que muestra el siguiente cuadro.

La regionalidad, exige que los esfuerzos de marketing deban ser concentrados en áreas específicas del país. Esta particularidad choca frontalmente con la mentalidad de los "Brand Managers" que manejan productos dirigidos al consumidor de habla inglésa, acostumbrados a gestionar la publicidad, promoción, y distribución, a nivel nacional, en un mercado bastante homogéneo a pesar de su tamaño y diferencias geográficas. Estos executivos, que generalmente son M.B.A. americanos, tienen muy poco conocimiento de las caracteristicas de la población hispana, su cultura, diferencias entre nacionalidades, habitos de compra y consumo, lo que los llevó a cometer graves y costosos errores, como traducir mensajes comerciales del inglés, con desastrosos resultados, lo que desincentivó la inversión en estas áreas. A pesar de reconocerse el potencial de negocio. Este problema actualmente se está superando contratando managers cualificados de origen hispano y algunas compañías están estableciendo divisiones independientes para este sector. El cuadro muestra el nivel de inversión en publicidad en medios hispanos y el total de inversión en medios, salvo en un caso, la cerveza

HISPANIC MARKET PURCHASING POWER



Sources: 1980-84—U.S. Consus Bureau *After-Tax Income of Households*
1985-90—Estimates by the author

"Coors", el porcentaje de inversión no llega al 2.5% del presupuesto, cuando el mercado hispano representa como mínimo 7.5% del total.

La falta de interés, o habilidad de las grandes empresas fue brillantemente aprovechada por pequeños empresarios, generalmente de origen latino, que comenzaron con pequeñas empresas a explotar las oportunidades que existían en las comunidades hispanas en las diferentes regiones del país, y hoy son medianas empresas en fuerte crecimiento y con dominio de los mercados donde operan.

El sector de alimentación presenta los más claros ejemplos, empresas como "Goya Foods" en el área de New York-New Jersey, con más de 750 productos alimenticios, es la lider absoluto del mercado y hacen uso de las más modernas herramientas de marketing para desarrolar sus líneas de productos. Sin duda un ejemplo a deguir, una particularidad de esta compañía, es que su marketing a pesar de tener como objetivo el consumidor hispano no deja de lado al de habla inglés y todo el packaging y material punto de venta es bilingüe, a mi juicio la estrategia más inteligente ya que muchos consumidores americanos están descubriendo las comidas latinas y son consumidores potenciales. El caso opuesto lo presenta la corporación "Campbell Soups" que compró una compañía en Puerto Rico y estan lanzando su linea de productos a nivel nacional con la marca "La Casera" dirigidos exclusivamente al segmento latino.

Grandes corporaciones como "Coca Cola", "Pepsi Cola", y las compañías de cervezas están realizando campañas de publicidad y promoción especialmente creadas para este segmento, usando la televisión de habla hispana y promocionando eventos deportivos.

El mercado latino no es homogéneo. Está formado por diferentes nacionalidades, con diferentes culturas—puertorriqueño, mexicanos, centroamericanos y sudamericanos.

Los hábitos de compras no son exactamente iguales en cada grupo, pero hay características comunes a todos. Una de ellas, que es muy importante, es que tienen una gran lealtad hacia las marcas, por lo que la inversión en marketing tiene efectividado durante la campaña y a largo plazo. Es un grupo que agradece y retribuye a las compañías que apoyan eventos de la comunidad hispana, lo que implica que es importante realizar una buena gestión de relaciones públicas. Otra característica del grupo es que ven más televisión que los sajones, y éste es el medio más efectivo de publicidad.

1987 TOP 10 FOOD AND BEVERAGE ADVERTISERS IN HISPANIC MEDIA
($ Millions)

Rank	Company	1986 Hispanic	1987 Hispanic	Total 1987
1	Philip Morris	7.5	13.3	815.8
2	Procter & Gamble	8.0	12.0	819.2
3	Adolph Coors	4.0	9.8	77.7
4	Anheuser-Busch	6.5	8.0	337.4
5	Goya Foods	3.0	3.0	
6	Nabisco Brands	2.5	3.0	464.0
7	Dart & Kraft	2.5	3.0	190.6
8	Coca-Cola	2.0	2.0	199.6
9	PepsiCo	1.4	2.0	382.5
10	General Mills	1.7	1.7	300.0

Sources: *Hispanic Business. BAR LNA*

TOP HISPANIC MARKETS

Rank	Market	Hispanic Population (000)	Total Population (000)
1	Los Angeles	3,614.0	13,176.1
2	New York	2,495.6	19,289.4
3	Miami	936.2	3,345.8
4	San Antonio	889.3	1,842.9
5	San Francisco	786.9	5,949.1
6	Chicago	753.7	8,959.1
7	Houston	706.5	4,667.7
8	McAllen/Brownsville	588.3	694.8
9	El Paso	477.9	786.6
10	Albuquerque	451.3	1,231.9

Source: *Strategy Research Corp.*

Todo lo anterior me permite decir que las empresas españolas podrían aprovechar las oportunidades que existen en el mercado hispano en USA. Las características de este segmento permiten que una empresa pueda seleccionar un mercado regional latino, como puede ser New York, y con un bajo nivel de inversión realizar un market test de sus productos, y en función de los resultados continuar su proceso de expansión nacional. Hasta hoy la mayor parte de productos españoles que se venden en este segmento en USA, es producto del interés de empresas latinas que fueron a España a buscarlas y los comercializaron bajo sus própias marcas. Pero salvo contadas excepciones no hay marcas españolas, de productos de exito en España, que sean comercializadas aquí. Y creo que muchas compañías españolas de diferentes sectiores industriales, como alimentación, bebidas, textiles, calzada etc., cuentan con lineas de productos, estructura de empresa, y capacidad de management como para conseguir desarrollar y establecer sus marcas con éxitos en el mercado hispano, en una fase inicial, y el mercado total de USA a medio plazo.

La decisión está en manos de los empresarios españoles. ☐

ARMANDO GAVIDIA es ingeniero industrial, por la Universidad Nacional de Tucuman, Argentina, M.B.A. por E.S.A.D.E. Barcelona, España, y realizo estudios de posgrado en marketing internacional en New York University en USA. Actualmente es vicepresidente de Freixenet U.S.A.

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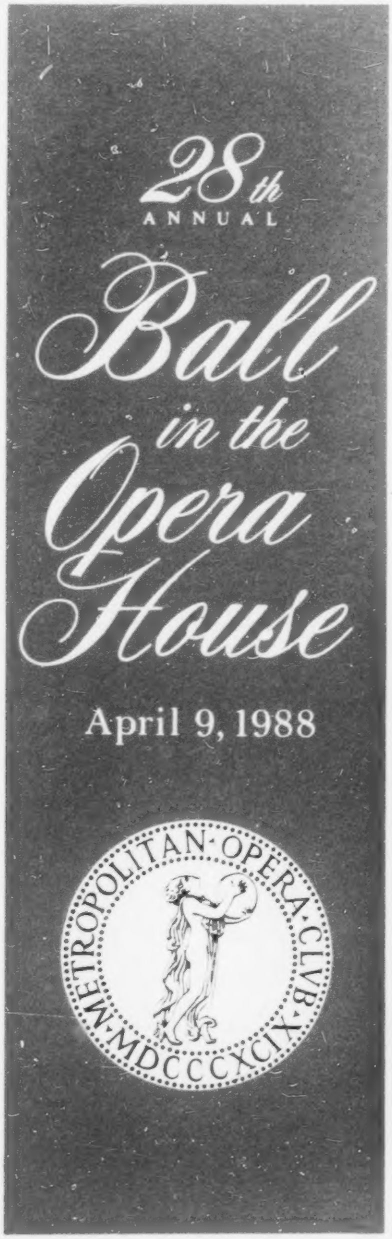
TARGET

Metropolitan Opera's Annual Ball Celebrates Spain's Music and Art

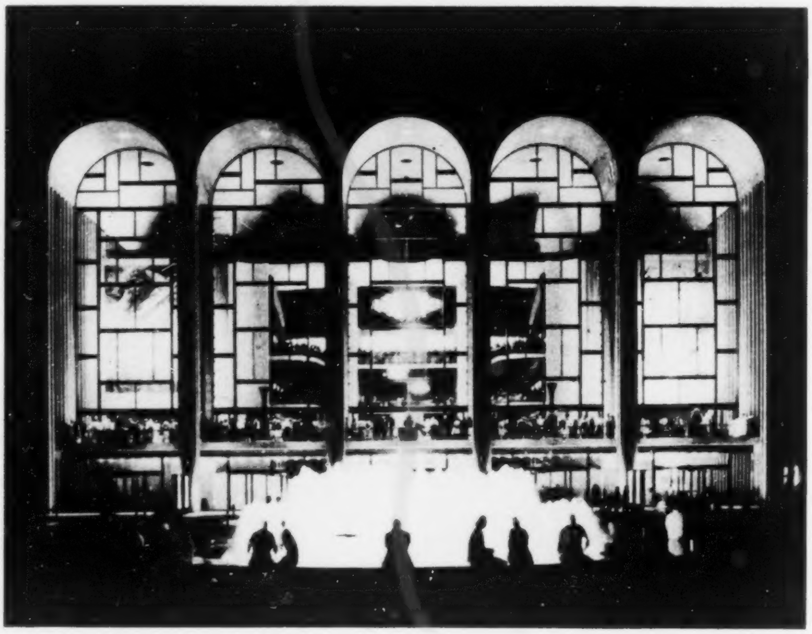
The Metropolitan's 28th Annual Ball on April 9th will be a genuine Spanish fiesta



The 28th Annual Opera Ball for the benefit of the Metropolitan Opera Association to be held this year on Saturday, April 9th, will honor Spain and its historic contributions to music and art. The ball is the highlight of the opera season, and the major voluntary activity for members of the Metropolitan Opera Club, their families and friends. Annually honoring the cultural contributions of a different country, this jewel of the New York social season adds substantially to the Metropolitan's coffers and introduces a new audience to the Metropolitan's family of supporters.

Her Majesty Queen Sofia of Spain has been invited to be the Honorary Patroness and Chairman of the 1988 Ball, which will also be under the patronage of Spain's Ambassador to the United States, Julián Santamaria and the Consul General of Spain in New York, Ambassador Manuel Sassot. Alfredo Karus is Honorary Chairman, heading a committee which includes Plácido Domingo and the Duchess of Badajoz. Luis Benítez de Lugo, President of the Chamber, and Peter M.F. Sichel, a member of the Board of the Metropolitan Opera Club, are Co-chairmen. Representatives of Spanish banks, airlines, and business organizations are extending their cooperation, which includes the donation of gift packages containing perfumes and other Spanish products.

The evening begins at 7 p.m. with a reception hosted by Ambassador Santamaria. The performance of



SPECIAL FEATURE: THE METROPOLITAN OPERA

Alfredo Kraus (left) is Honorary Chairman of the 28th Annual Opera Ball. Peter M.F. Sichel (center) is Co-chairman with Chamber President Luis Benitez de Lugo, and the Committee includes Plácido Domingo (right) and the Duchess of Badajoz.

Verdi's "Il Trovatore" starts at 8 p.m., and at 11 p.m. is the white tie gala, including a dinner supervised by some of the great chefs of Spain. Over 800 guests are expected to the gala, which continues until dawn, when a breakfast is served to a chorus of "*Vamos a la cama, vamos a dormir.*"

The opera house will be resplendent with Spanish flowers, flags and tapestries. After the performance of "Il Trovatore," the ball will begin with a short formal ceremony of national anthems, brief remarks, and toasts.

Guests will dine at tables placed on landings surrounding the Grand Staircase. The Meyer Davis Orchestra, led by Emery Davis, will perform on the Grand Tier throughout the evening, highlighted by Spanish performers. Featured in the Belmont Room will be light classical music along with a selection of cordials and sweets; in the Board Room, guests may enjoy a selection of sherries and Spanish cheeses while listening to traditional Spanish artists. For those who prefer a cabaret atmosphere, the Opera Club Room is transformed into a discotheque, where guests may dance until dawn, when chocolate con churroz is served.

As an important memento of the Ball, a program is published which will contain over 100 pages of color advertising and articles relating to the cultural aspects of Spain and the United States.

A Metropolitan Opera performance of Puccini's "Turandot."

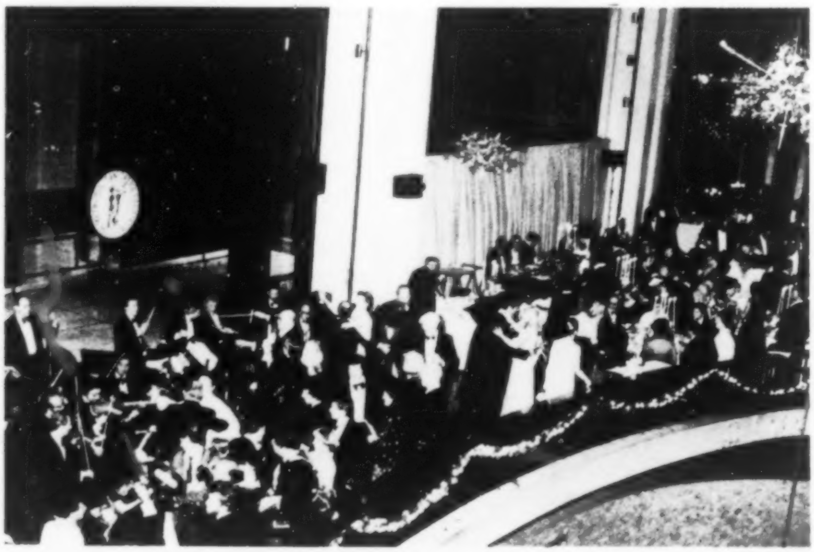
The Metropolitan Opera

For over a century the Metropolitan Opera has been the symbol of grand opera in the United States. An Internationally famous mecca which draws visitors from all over the world this, "national treasure" is on a par with La Scala, the Vienna State Opera, the Paris Opera and the Royal Opera House in Covent Garden, London.

New York has always been an opera town. In 1854, the Academy of Music was built, designed expressly for the presentation of opera. For many years the "socially correct" place to be seen was in a loge at the Academy. Unfortunately, however, there were only eighteen boxes, sold year after year to the same blue-blooded owners. It was a period when New York was expanding, when there was a tremendous surge of immigration. It was a time which bred a strong group of millionaires who resented sitting downstairs at the Academy and being snubbed by the old Knickerbocker society boxholders. And so, in 1880, sixty-five rich men decided to build it farther uptown within easy reach of upper Fifth Avenue where many of the newly rich had built their mansions.

The Metropolitan opened on October 22, 1883. The Brooklyn bridge had been inaugurated the spring before. New York by now was a city of almost

SPECIAL FEATURE: THE METROPOLITAN OPERA



The scene outside the Metropolitan Opera Club during last year's Opera Ball.

two million people. The opera house was seven stories high with a facade of yellow brick which Colonel James H. Mapleson, impresario of the Academy, maliciously called "that new yellow brewery on Broadway." It stood on Thirty-ninth to Fortieth streets, between Broadway and Seventh Avenue. The first night's presentation was Gounod's *Faust* with Christine Nilsson, the Swedish soprano, as Marguerite and the Italian tenor Italo Campanini in the title role.

For the next eighty-six years the endless parade of singers conductors and composers wended their way to that "yellow brewery on Broadway." It grew to fill a unique place in the life of the city and nation. Nor did it end with the move to Lincoln Center in 1966. The technical wonder with the largest and best equipped stage in the world, which has yet to be surpassed, dominates Lincoln Center and continues to draw the best of the operatic world during its thirty week season.

The Metropolitan is now in its second century. First built for the pleasure of a group of millionaires, it now brings pleasure to millions. It not only presents great performances at home but broadcasts them across the nation and telecast them all over the world. As the New York Times has stated: "Opera at the Metropolitan's best means the best there is anywhere".

The Metropolitan Opera Club

Founded in 1892, the Opera Club was chartered for the "cultivation of vocal and instrumental music, the encouragement and support of operatic and musical performances." It all began one balmy spring night in 1892, when two unattached, gregarious gentlemen named Preble Tucker and Oliver Sumner Teall envisaged an after-supper club like London's Corridor or the Jockey Club in Paris. Then and there they decided to establish a New York club to end all clubs. Tucker and Teall presented their ideas to Reginald de Koven, the prominent composer and critic, and architect Stanford White.

The result was the Vaudeville Club, and while the charter members were still looking for quarters, the Metropolitan Opera House lost its stage and part of its auditorium to a fire. White had a brainstorm: he approached the management, leased the foyer and public rooms which were unscathed, and supervised the remodeling into a Club complete with miniature stage and boxes. On January 10, 1893, the cream of New York's glamorous society flocked to the opening of a vaudeville show in the otherwise dark Opera House. Society reporters and Louis Keller, founder of the Social Register, had a field day, and New York had its first private night club.

The Club's fortunes continued to rise and became formally incorporated as the Metropolitan Opera Club in 1899, firmly linking its fortunes to those of the Association. As the golden age of Caruso, Farrar, and Toscanini dawned and the international prestige of the Metropolitan waxed strong, the Club could boast a membership of New York's most prominent and influential citizens, thus founding the oldest member of the Metropolitan's family of supporters.

Over the years, the rules and customs have adjusted to changing times. But black tie is still *de rigueur* for all male members at evening performances (evening or formal cocktail dresses for women). And when the Club Boxes are full, all members are required to exchange seats at the intervals.

To buttress such traditions, the Club has been steadily expanding membership. Originally chartered for seventy members of "good moral character", there are now approximately one-hundred seventy Subscribing members, and nearly forty Junior members who have access, along with their guests, to the Club boxes. Over one-hundred thirty Associate members use the Club Room for drinks and dinner before the opera. ☐

For information on tickets and advertising in the souvenir program of the Opera Ball, call Carmela Garcia-Verdugo, International Coordinator, at the Opera Ball office, (212) 496-1516.

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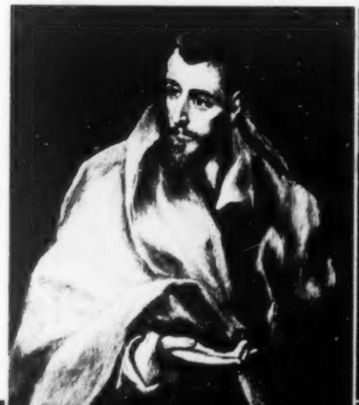
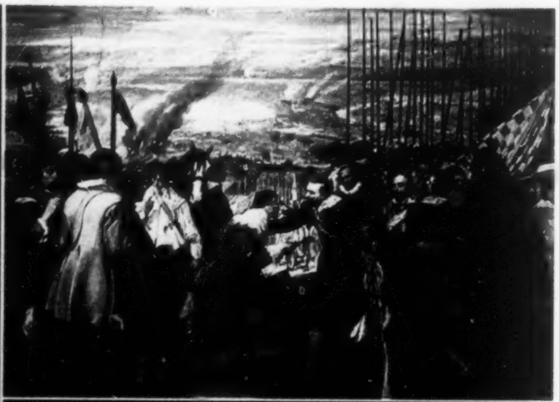
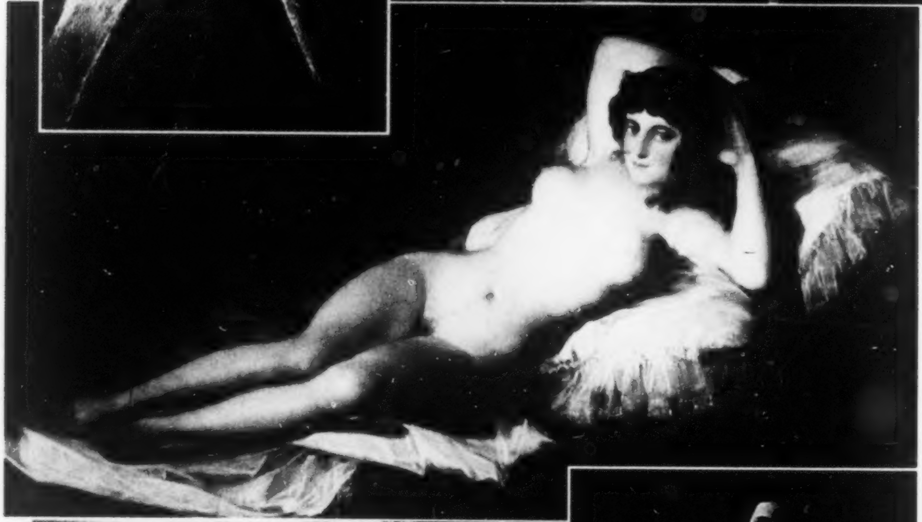


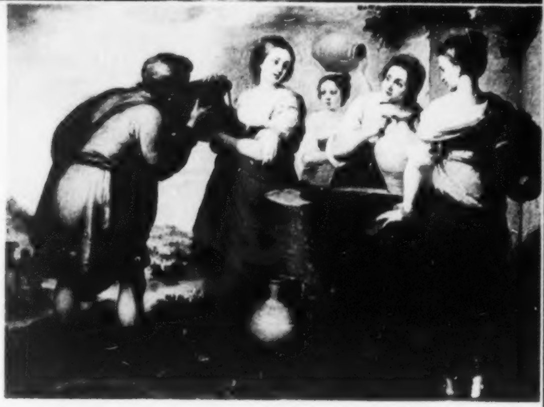
El Greco
"Santiago El
Mayor"



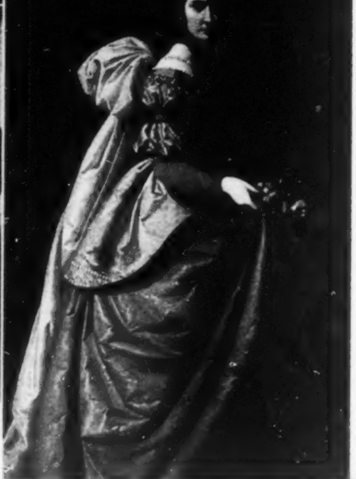
Velázquez
"La Rendición
de Breda."



Goya
"La Maja
desnuda"



Murillo
"Rebeca
y Eliezer"



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Actividades de la Oficina Comercial de España

“Un apretado calendario de actividades de promoción y apoyo a la exportación española”

Por Juan Carlos Recoder

Durante el último trimestre la Oficina Comercial de España en Nueva York ha llevado a cabo un apretado calendario de actividades de promoción y apoyo a la exportación española. Al ser conscientes de que la actual coyuntura económica estadounidense—determinada principalmente por la devaluación del dólar—juega en contra de la exportación de los productos procedentes de países europeos con monedas fuertes en relación al dólar, es necesario intensificar los esfuerzos de la promoción para, en cierto modo, poder contrarrestar los elementos adversos.

A través de sus cinco divisiones sectoriales, la Oficina Comercial ha intensificado sus esfuerzos en una serie heterogénea de programas y actividades.

Coordinado por el **Departamento de Moda y Confección**, el 28 de Octubre, tuvo lugar una presentación ante la prensa especializada de las novedades para la temporada primavera-verano 88, durante el acto se repartieron dosiers con comunicados de prensa, fotografías y precios de oferta. También organizado y bajo la coordinación del Departamento de Moda y Confección y con numerosa participación española, se asistió a dos manifestaciones feriales, el “National Shoe Fair” (6-9 de Febrero) y el “Ffany Show” (8-11 de Febrero).

En el campo de **la moda**, es de destacar la organización de un pabellón nacional en la feria “NAMSB” de confección masculina (11-14 de Octubre) donde se llevó a cabo un desfile de moda de hombre al que asistieron compradores y prensa especializada. Por otra parte destacable es también la participación en el “International Kids Show” (25 de Septiembre al 3 de Octubre), donde se contaba con pabellón propio y durante el cual se realizaron cuatro desfiles diarios.

Otro acto que no conviene olvidar es la misión inversa efectuada por parte de periodistas especializados en moda femenina, visitando el Salón Gaudí Mujer y la Pasarela Cibeles. Todo esto concluyó con la invitación por parte del Departamento de Moda a dos publicaciones americanas a visitar el FIMI 88.

En cuanto a **joyería**, se coordinó y organizó una misión inversa de periodistas especializados para visitar “Iberjoya 88” (14-18 de Enero) y posteriormente se participó en la feria “Jewelry of America” (21 de Enero a 3 de Febrero).

En el sector **vinos**, **“Wines of Spain”** llevó a cabo durante el último trimestre de 1.987 una promoción de los vinos de la Rioja, con degustaciones en Nueva York, Miami, Chicago y Boston y del 20 al 23 de Noviembre se participó en el V Festival del Vino de Puerto Rico. Durante los meses de Octubre y Noviembre se organizaron dos degustaciones de cavas. Digno de mención es la edición de Boletines de Vinos de España correspondientes a Otoño e Invierno, para culminar con la inserción en diferentes revistas y periódicos de la “Guia de los Vinos de España” y continuar a su vez con la publicidad compartida con numerosas licorerías.

En el **Departamento de Productos Industriales e Inversiones**, en Noviembre se llevó a cabo una inserción especial sobre España en la revista *Institutional Investor,* siendo acompañada por distintos tipos de publicidad. En Miami a su vez durante el mes de Diciembre se celebraron dos ponencias sobre “Inversiones extranjeras en España” y en Enero se

EVENING LOOKS FOR SPRING '88 show a red satin sling with black lace pouf and black lace over red silk. Both by Mila, one of the fashionable footwear designers from Spain.

atendió a una Misión comercial de pequeños electrodomésticos.

Durante el último trimestre de 1987, el **Departamento de Productos de Consumo** realizó una campaña de publicidad sobre los cigarros puros de las Islas Canarias durante la cual se regalaron muestras. No olvidemos la colaboración prestada a las diversas misiones comerciales que visitaron Nueva York, entre ellas la de la Cámara de Comercio de Gerona (Octubre 1-2), el Banco de Sabadell (Noviembre 11-14) y la de Comunidad de Asturias que nos visitó a finales de Noviembre. Colaborando con la Oficina Comercial de Miami se participó en la "New York International Gift Fair" (Enero 24-28) con un pabellón nacional y también hubo presencia española en la "Toy Fair" en Febrero.

En el sector **alimenticio**, el Departamento de Consumo colaboró estrechamente con las misiones comerciales de la Cámara de Comercio de Gerona y la del Instituto de Fomento de la Región de Murcia y tambien se presto gran atención a la preparación de la nueva campaña para 1988 del aceite de oliva.

A nivel de promoción también se encargó de la coordinación de la visita de un grupo de importadores americanos que visitarán "Alimentaria 88" en Barcelona a principios del mes de Marzo.

Es importante destacar que la Oficina Comercial ha elaborado numerosos análisis estadísticos los cuales han sido utilizados por diversos Departamentos y aquellos organismos que los han solicitado. ☐

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Iberia U.S. Headquarters to Los Angeles

Iberia Airlines, the national airline of Spain, has moved its U.S. headquarters office from Rego Park, New York to Los Angeles, California. The move was effective February 16, 1988.

"Iberia is looking west for new opportunities," said Manuel Pinto, Executive Vice President, U.S.A. "The initiation of our service from Los Angeles to Spain has been highly successful. We are now exploring routes to a number of Pacific Rim destinations, and our expanded presence in Los Angeles positions us well to pursue these opportunities."

Iberia's Los Angeles headquarters office will oversee the airline's marketing, sales, administrative and personnel activities for the United States. In addition to the headquarters office, Iberia has four regional sales offices around the country, in New York, Miami, Chicago and Los Angeles. Iberia's U.S. reservations center is in Chicago. World headquarters for the airline are in Madrid, Spain.

Iberia recently announced sharply increased profits for 1987 over 1986, the result of a global restructuring program. The airline also announced the planned purchase of 17 new McDonnell Douglas MD-87 jet aircraft, 15 Airbus A-320s and eight Airbus A-340s, part of a major fleet renewal program.

Iberia Airlines, founded in 1927, is the third-largest airline in Europe. It serves 82 airports in 46 countries throughout Europe, the United States, the Middle East, Africa, Asia and Latin America. In 1987, Iberia carried 14.1 million passengers, up from 13.6 in 1986. Its U.S. gateways are New York (John F. Kennedy International Airport), Chicago (O'Hare International Airport), Miami (Miami International Airport) and Los Angeles (Los Angeles International Airport). ☐

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Misión Comercial de la Asociación de Exportadores Asturianos

Entre los dias 30 de Noviembre y 6 de Diciembre de 1987 la Asociación de Exportadores Asturianos, Exportastur, realizó una Misión Comercial a los Estados Unidos. En 8 dias de estancia en USA, los exportadores asturianos que la componían, visitaron las ciudades de New York y Miami.

La Misión Comercial estuvo integrada por representantes de 11 empresas, además de la Gerente de Exportastur, Susana Alvarez y del Presidente de la Cámara de Comercio de Aviles, Joaquín García-Tuñón.

Las empresas que participaron, pertenecientes a diversos sectores de la economia asturiana fueron las siguientes:

ALIMENTACION Y BEBIDAS

Aguas de Fuensanta—Aguas minerales.
Hermanos Nuño S.A.—El Chico—Productos carnicos.

BIENES DE CONSUMO

Bohemia Española—Artesania en cristal.
C.C. Alba S.A.—Cristal y cerámica.
Porcelanas Gijón—Porcelana hostelería.
Hermanos Marinas—Relojes pared y suelo.
María de Blanco—Confección.

PRODUCTOS INDUSTRIALES

Trefileria de Moreda—Alambres y malla metálica.
Electromateriales KLK—Soldadura aluminotermica.
Mefasa—Bienes de equipo y embarcaciones de recreo.
Rodapin—Rodillos de pintura.

Durante su estancia en New York, los empresarios asturianos mantuvieron numerosas entrevistas con importadores, distribuidores y representantes estadounidenses, entre los cuales promocionaron sus productos. De esta forma, existen negociaciones avanzadas para que durante 1988, se inicie la comercialización en USA de agua mineral asturiana Fuensanta. Asimismo, prendas de la diseñadora Maria de Blanco se incorporarán durante el presente año a los muestrarios de firmas norteamericanas. El resto de empresas tanto del grupo de consumo como las de productos industriales, visitaron sus contactos en New York, establecieron nuevos y ampliaron su distribución a otros estados.

Por su parte, representantes de Exportastur y de la Cámara de Comercio de Aviles se entrevistaron con el Presidente de la Spain-USA Chamber of Commerce, Luis Benítez de Lugo, y su Director Ejecutivo, Miguel Sebastiá. El Presidente de la Camara de Comercio de Aviles, Mr. García-Tuñón, se entrevisto también con representantes de la New York Chamber of Commerce y de la Oficina Comercial de España en New York.

La Asociación de Exportadores Asturianos, Exportastur, mantuvo contactos también con la firma neoyorquina Trans-National Trade Development Corporation, interlocutora del Programa de Compensaciones FACA, con quien Exportastur mantiene una estrecha colaboración y en la que se encuentra ubicado un representante de la Asociación para la promoción y seguimiento en USA de operaciones para empresas asturianas.

La Misión Comercial, coordinade eficazmente desde New York por Juan Vich, becario de Exportastur, contó en su organización con la colaboración de la Oficina Comercial de España en New York en la preparación de los programas de entrevistas, así como con el apoyo y colaboración de la Spain-USA Chamber of Commerce.

La delegacion asturiana

Un núevo capitulo industrial en el desarrollo de Asturias

Asturias es una de las regiones industriales de España, situada frente al Mar Cantábrico y a media distancia entre la costa atlántica española y el extremo oeste de los Pirineos. Asturias tiene una extensión de 10.564 Km.^{2} — un dos por ciento de la superficie total de España — y su población sobrepasa ligeramente 1,100,000 habitantes,

ASTURIAS (CONTINUA)

siendo la densidad de población de unos 108 habitantes por Km.^{2}

Dominada por un clima atlántico, húmedo y lluvioso, ofrece hermosos paisajes a lo largo de sus doscientos kilómetros de costa, suaves campiñas y bosques inmersos en un conjunto de montañas y valles en continuo contraste.

La red urbana posee excelentes comunicaciones internas, con autopistas libres y líneas férreas de doble trazado, que vertebran una amplia zona central donde residen dos tercios de los asturianos.

El centro de Asturias, definido por el entorno de cinco ciudades—Oviedo, Gijón, Avilés, Langreo y Micres—da asiento a una poderosa industria cuyas raíces se cimentaron con el descubrimiento de los yacimientos de carbón en el siglo XVII. Estos yacimientos fueron la base de un complejo minero y siderúrgico de posterior implantación.

Dentro de la infraestructura de comunicación hay que destacar los puertos de El Musel (Gijón) y de Avilés, que mueven alrededor de doce y cinco millones de toneladas al año respectivamente, y el aeropuerto de Asturias, que se asienta cerca del mar—en las inmediaciones de Avilés.

Ribadesella, on the Cantabrian coast in Asturias

Actualmente, una vez constituido el Principado de Asturias como Comunidad Autónoma dentro del marco creado por la Constitución Española de 1978, Asturias cuenta con la solvencia de su tradición industrial, sus centros universitarios y la existencia de unas comunicaciones y una infraestructura renovadas, todo lo cual, impulsado por el Gobierno Autónomo y la iniciativa empresarial, abrirá, sin duda, un nuevo capítulo industrial en su desarrollo. ☐

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ANTONIO HERNANDEZ-MANCHA

(SIGUE DE LA PAGINA 4)

iguala a Africa, aunque hayamos firmado el tratado de adhesión a la Comunidad Económica Europea.

Ninguno de los procesos económicos a que nos hemos referido puede crear confianza en los pequeños y medianos empresarios nacionales pará que vuelva ese efecto acelerador y multiplicador de sus inversiones, generadoras de riqueza, y se pueda recuperar la confianza perdida.

Debo deciros, que me ha causado un poco de vergüenza ajena cuando me dicen en América si nos sobran los americanos porque se les echan de Torrejón, aunque no de Ronda, de Morón o de Zaragoza. No veo más apasionamiento en América del que hay en las cancillerías europeas que, cara al acuerdo americano—soviético de desarme, ven que quien va a llevar la peor parte, por el desequilibrio en armamento convencional, va a serEuropa y observan con preocupación que España prescinda, en estos momentos, de su Ala Táctica, como es el escuadrón 401 de cazabombarderos F-16.

No quiero pensar en el pasado, ni siquiera en el inmediato futuro de la negociación de las Bases. Lo que me preocupa es pensar cómo vamos a tapar el hueco que va a dejar el Ala Táctica, porque no se trata solo de garantizar la defensa nacional española, sino de cumplir con nuestra responsabilidad, en la parte que nos corresponde en la defensa del flanco Sur de la OTAN.

Es obvio, para cualquier país occidental, que la política exterior no es un compartimento estanco en relación con la política defensa o comercial. Lamento que nuestros actuales gobernantes sigan anclados en viejos criterios autárquicos, tal vez por estar aislados, desde el punto de vista ideológico, en medio de una Europa que ha sabido dar solución a la crisis, poniéndo la política no en manos de socialismos y viejos marxismos obsoletos sino en las de quien genera la confianza, la ilusión y ese verdadero internacionalismo del comercio exterior, que son las opciones liberal—conservadoras. ☐

Liberal Party Leader Segurado Visits New York

José Antonio Segurado, president of Spain's Center-Right Liberal Party, visited New York in January, and on January 14th was the guest of honor at a luncheon at the Spanish Institute co-hosted by the Chamber. His address, which follows, was a perceptive analysis of Spain's current economic position from the Liberal viewpoint.

In origin, the Liberal Party dates back to the nineteenth century, but its most recent active period goes back to April 9, 1976, just a few months after the death of General Franco. I joined the party in January of 1985, and was first elected president at the party's sixth congress, held in June of that year. On November 8th, 1987, I was re-elected for a further three-year term of office.

The Liberal Party now has eight deputies in the congress and seven senators, affording us an active role in Parliament and making the first time the Liberal Party has had its own voice in both chambers since the outset of the transition to democracy in Spain.

From this base we have stoutly defended our ideas which, stated as briefly as possible, are to defend the role of the individual and civil society in the face of encroaching bureaucracy and the interference of the state. We are thus committed defenders of private initiative in economic affairs and of maximum freedom for private citizens within the democratic system freely chosen by the Spanish people under the moderating guidance of the Crown. Our King, Juan Carlos I, has played an exemplary role in my country. He is our greatest ambassador abroad and an outstanding model of a constitutional monarch, committed body and soul to his country, to his people and to the age we live in.

The State of the Spanish Economy

At this point I would like to review the present economic position of Spain. Needless to say, there are both positive and negative aspects to our situation. Among the positive points:

- **An increase in overall economic activity.** The estimated increase in GDP in 1987 was 4.5 percent, the highest figure for any of the EEC countries.
- **Continued expansion of productive investment.** A growth in gross domestic fixed capital formation of nearly 13 per cent, one of the highest in the EEC.
- **Balance of payments surplus.** At the end of the year had reached 2.5 billion dollars.
- **Job creation.** Most of the new jobs are the result of the greater flexibility introduced in the legislation governing labor contracts.
- **Reduction of the inflation differential** between Spain and the other developed countries. This differential is now down to between one and one and a half percentage points, compared with a five point difference in 1986.

Negative Aspects

- **Strong underlying inflation.** The rise in the price of services and industrial products in 1987 highlights the difficulty of bringing inflation down further in 1988.
- **Fluctuations in the application of monetary policies.**
- **Trade imbalance.** At present imports exceed exports by 8.8 billion dollars per year.
- **Loss of competitiveness.** The competitiveness of Spanish products in the European Community countries fell by just over 5 per cent in 1987. . .
- **Unemployment.** The number of unemployed at the end of 1987 in Spain was 2,997,815. In other words just over 20 per cent of the working population.
- **Public spending increase.** Non-financial payments by the state last year are thought to have increased by more than 17 per cent, compared with a nominal GDP increase of 11 per cent. If these figures are confirmed, it will mean that the relative weight of the public sector vs the private sector within the Spanish economy has increased to over 45 per cent.
- **Fiscal burden.** The burden of taxation as a percentage of GDP may have grown by as much as two points. For the past six years, Spain has had one of the highest fiscal burdens of all the OECD countries, totalling more than 6 percentage points.
- **National debt.** As a result of the huge increase in public spending, and despite the increase in taxation, the national debt is expected to have risen last year by nearly 16 billion dollars.

This, then, is the state of the Spanish economy as we Liberals see it. I turn now, if I may, to a few brief remarks on the political scene in my country.

As you are well aware, the Spanish Socialist Worker's Party won overall majorities in the last two general elections in Spain, in 1982 and again in 1986.

Economics apart, any just assessment of the present Government's performance should recognize the moderation the Socialists have shown in power and the pragmatism that has allowed them to alter course on a number of issues, notably on NATO.

On the negative side we should list the repeated efforts by the Government to dominate Spanish society, ap-

JOSE ANTONIO SEGURADO

parently for fear of allowing civil, non-government, institutions full freedom of action.

As far as the communications media are concerned, the Government has been very reluctant to give full rein to freedom of expression. In Spain today there is still only one nationwide television network which is easily controlled by the Government. So, despite the repeated promises made by the Prime Minister, Mr. Felipe Gonzalez, Spain still lacks independent commercial television.

At this stage many of you are probably wondering how it is that a Socialist Party has succeeded in winning two successive general elections, each time with an overall majority. I shall try to answer this question as objectively as possible.

In the first place you must remember that Spain underwent forty years of a political regime which I would describe as dictatorial in the early period and authoritarian towards the end. That regime, headed by General Franco, was obviously right-wing. It left in its wake the widespread, though quite erroneous, belief that the left-wing parties were the principle upholders of democracy.

We add to this delusion the facts: That the Socialists succeeded in putting across an image of moderation and change in their election campaigning; that their ideological platform enjoys international recognition; that, as a party, they looked earnest and united; and, last but not least, that they have in Felipe Gonzalez a leader with a popular appeal and a ready tongue.

Right-Wing Parties

I would like to turn now to the right-wing parties in Spain. Following the death of General Franco, the most significant center-right grouping in Spain was the Center Democratic Union or UCD, which won the general elections of 1977 and 1979 and must take the credit for having led Spain through the most difficult period of the democratic transition. On the debit side, the UCD destroyed itself through a series of internal wrangles.

The banner it dropped was taken up by, as the most representative group, the Popular Coalition, which first stood for office under that name in 1982. It comprised the Popular Alliance, the Popular Democratic Party and the Liberal Union, plus a few regional parties. It stood again under that name in 1986, with the Liberal Party replacing the small Liberal Union, which had by then joined forced with us. The results obtained by the Popular Coalition on both occasions were broadly the same: five and a half million votes.

Focusing now on the last general elections in 1986, the ground occupied by this major center-right group was disputed by other parties fielding candidates throughout the country: The Democratic Reformist Party, and the Democratic Social Center Party, whose support in terms of parliamentary seats and number of votes was far less than that achieved by the Popular Coalition. The Democratic Social Center Party obtained 19 deputies, the Democratic Reformist Party (backed by the Catalan Nationalist Party Convergence and Union) won none, a poor showing compared with the 105 seats obtained in those same elections of 1986 by the Popular Coalition.

> ***❝ Our ideas, stated briefly, are to defend the role of the individual and civil society in the face of encroaching bureaucracy and the interference of the state. ❞***

The day after the elections, one of the three parties making up the Popular Coalition, The Christian Democrats, abandoned this joint platform. Several months later, and for a variety of reasons, we ourselves were obliged to break definitively our connection with the group.

Any discussion of the future of the parties of the center and the right in Spain has to take into account the Spanish electoral law. This is based on the D'Hont System of Representation, a system which favours the larger parties and coalitions and penalizes the smaller ones.

The center-right parties currently operating on a nationwide basis in Spain are Popular Alliance, the Popular Alliance, the Popular Democratic Party, the Liberal Party and the Democratic and Social Center Party. The opinion I have defended in my country is as simple as this: if we each stand for election separately, each with our own list of candidates, we shall have no earthly chance of defeating a strong, united Socialist Party with its hands on the levers of power. The only sensible means of creating a future for the center and the right in Spain is to combine.

The view of the Liberal Party is briefly this: the center right is by definition, pluralist and, as in Europe generally, requires that different parties represent such significant political viewpoints as those held by conservatives, Christian democrats and liberals. This pluralist platform should reach pre-election pacts permitting it to field the fewest alternative candidates and thus stand a reasonable chance of victory.

The Liberal Party I am privileged to preside over is making every effort to achieve this objective in time for the next general elections in 1989 or 1990. In spite of all the difficulties, I cannot help feeling optimistic about the outcome. I am convinced that the political forces of the center-right will rise to the occasion and accept the challenge of modern-day Spain.

Spain and the United States

I have gone on long enough now but, allow me a few brief reflections on relations between Spain and the United States.

In the first place, let me state the position of the Liberal Party. We liberals are firm supporters of Spanish membership of N.A.T.O. We deeply believe that Spain's destiny lies with the West and we regard the United States as one of our country's closest allies and friends.

Having said that, I should add that the relations between our two countries have of late been subjected to tension arising, in most cases, from a certain mutual incomprehension.

I will start with Spain. Regrettably, many senior members of the ruling party in Spain still pay lip-service to outworn cliches about imperialism and capitalist domination. Their habits have led to lementable incidents such as the discourtesy shown to the President of the United States on his trip to Spain, or the demagogic and unrealistic stance taken on the present

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INVESTMENT

Proposed Reforms in the Spanish Securities Market

The reform legislation will entirely revamp the current inefficient securities market system.

by Bernardo M. Cremades

Introduction

Spain is "fashionable" today for the foreign investor. Multinational corporations, as well as private individuals, are attracted by good economic prospects and political stability, a hard combination to encounter in our modern world. High interest rates and relatively low production costs and prices, in comparison to the other countries in the European Community (EEC), serve as further inducement into Spain. Whether it is direct foreign investment or real estate purchases, Spain is up and coming. But the leader of all forms of foreign investment in Spain is investment in the securities markets. In 1986, foreign investors accounted for a third of the volume traded, and the figures for 1987 show a substantial increase.

The problem is that Spain's current securities' market system is too inefficient to meet the needs of today's global world marketplace. Spain's proposed reform legislation for its exchanges will revamp the entire current system. This type of overhaul is necessary because of Spain's expanding role in the world market, due in large part to its recent membership in the EEC. Spain has responded swiftly to the necessity for reforms. There is a strong commitment to open up Spain's markets smoothly in conformity with the EEC's self-imposed deadline for liberalization of the marketplace by 1992. The current draft legislation proposes a model similar in style to the United States' 1933 and 1934 Acts. The key theme is integrity in the marketplace, establishing confidence in all present and potential investors, both large and small.

One Centralized Market

The reform legislation proposes to unify the current system under one national exchange. There are presently four exchanges in Spain, located in Madrid, Barcelona, Bilbao, and Valencia. There is national legislation under which they must conform their rules, but each one operates as a separate entity with a certain degree of autonomy.

Under the reform legislation there will be an interconnecting of these four exchanges in order to form one centralized national exchange. Originally it was proposed that a fifth and separate exchange be established as the new national exchange. However, due to heavy opposition from various parties, the Ministry of the Economy and Treasury, responsible for the draft legislation, revised the draft and opted for a system of interconnection among the four exchanges.

The Ministry changed its original position because of the intense burden the establishment of a fifth exchange would place on a smooth and rapid transition period. Time is of the essence with the current reform. A fifth exchange would require the implementation of new structures for operation, thereby necessitating new rules and management. Whereas by interconnecting the four exchanges the operating mechanisms are already in place and functioning. This lessens the necessary steps on the road to reform.

Furthermore, with this reform legislation the tradition of the Spanish marketplace is preserved, while attaining the goal of unification into one national exchange. Finally, the interconnection of the exchanges furthers another major objective of the reform: bolstering the confidence of investors in a system that works. The current system may need restructuring, but the foundation is laid. Investors will have more confidence in a proven product and thereby be more readily willing to invest instead of waiting to test new waters.

Establishment of the Comisión Nacional del Mercado de Valores

Bolstering the confidence of the investor is once again achieved by Title II of the reform legislation. Title II provides for the creation and functioning of the Comisión Nacional del Mercado de Valores (CNMV), similar in purpose to the Securities and Exchange Commission (SEC) in the United States. Spain currently has no regulating agency responsible for the protection of the marketplace. The CNMV will be the national watchdog empowered to safeguard the integrity of the marketplace.

Though the initial budget of the CNMV is quite limited (500 million pesetas, which is roughly equivalent to 4 million dollars), its sanctioning power, similar to the SEC's, is quite broad. The CNMV keeps a general watch over the market and protects investors by seeking compliance with the rules of the exchange on the part of marketplace participants. More specifically though, under article 66, the CNMV may oblige complete disclosure of any information deemed necessary in relation to the exchange from any person or entity possessing such information. Furthermore, the CNMV has the power to impose fines up to five times any profit illegally rea-

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BERNARDO M. CREMADES was born in Zaragoza, Spain, in 1943. He has a doctorate in Spanish Law with special honors from the University of Seville and a doctorate in German Law from the University of Cologne, Germany. He is President of the Spanish Court of Arbitration, a member of the Academic Council of the International Institute of Business Law and Practice, and a member of the International Council for Commercial Arbitration.

Mr. Cremades is a practicing attorney with offices in Madrid, Paris and Brussels, and is legal advisor to numerous North American companies established in Spain.

lized in trading, and if deemed appropriate under the circumstances, may institute criminal proceedings and take an active part in the matter.

Rules of Conduct

Additional powers of the CNMV allow it to protect against behavior tempting to marketplace participants but illegal under the reform legislation. For the first time Spain will have provisions protecting against insider trading.

Under article 61 of Title VI (Rules of Conduct), inside information is nonpublic, material information. In other words, information which if known would affect an investor's decision to trade in the related security. Under article 62, anyone in possession of such information must refrain from acting, directly or indirectly, in any marketplace operations regarding the security while the information remains nonpublic. Furthermore, the individual must abstain from communicating such information to third parties or recommending the purchase or sale of those securities.

The legislation is very broad in scope. It is similar in position to the EEC's proposed directive on insider trading. In the commentary of the proposed EEC directive there is an explanation of the definition of insiders and the possible narrow or broad approach. The narrow approach, unlike the aforementioned broad approach, limits coverage to "primary insiders", those who by their profession or occupation are in a fiduciary relationship with or have a duty of confidentiality towards the company whose shares are in question. The Commission states that "it has become clear from recent cases on international securities markets that such an approach would be too limited." Therefore, the EEC, like Spain, opts for a broader approach and covers those persons often described as "tippees." Regulations for sanctioning such conduct falls upon the individual member countries. The lowered credibility of international markets due to insider trading is a problem faced by both individual European countries and the European Community as a whole. Spain's reform legislation confronts the issue in a manner broad and thorough enough to inspire the confidence of foreign investors in her national market.

Other Rules for the Protection of the Investor

Besides regulations on insider trading, Title VI established other rules of conduct for the protection of the investor and fairness in the marketplace. Under article 59, any person or entity receiving or executing orders as an investment advisor must give priority to the interest of his client. The theme is stressed again in article 60. The investment advisor is prevented from trading for the firm account in securities, ordered by the client, at a better price than the client would receive. The investor comes first. Furthermore, the reform legislation also has a provision in the same article to prevent investment advisors from churning the client's account, multiplying the transactions in an unnecessary manner and without any benefit to the client in order to receive more commission payments. Finally, under article 63 of the rules of conduct, there is a provision which establishes "Chinese walls" in investment banking and brokerage firms between departments with diverse activities and prevents the exchange of information between these separate entities. The reform legislation has taken current conduct problems confronting securities markets worldwide into account and has provisions and enforcement measures to prevent and combat such abuses in the national marketplace.

> ***“With this reform legislation, the tradition of the Spanish marketplace is preserved, while attaining the goal of unification into one national exchange.”***

The Marketplace Participants

Another major change under the reform legislation, national in nature, is the abolition of the current role of the *Agente de Cambio y Bolsa* (stock-broker). Under the present system, the Agente de Cambio y Bolsa also serves the function of a public notary. Every stock transaction must be witnessed and given faith by the Agentes de Cambio y Bolsa. This in turn slows down the process of the purchase and sale of securities. Due to the present system, the Agentes de Cambio y Bolsa have a monopoly which is soon to be abolished, and therefore, in one sense are the persons most affected by the reform legislation.

Article 21 of the reform legislation is the act which constitutes the demise of the Agentes de Cambio y Bolsa by the fact that the trading of securities no longer requires the intervention of a public notary. Therefore these agents have two options under the additional provisions of the Act. They can individually meet the requisites for membership of the exchange or integrate themselves into one of the member-broker associations of the exchange. However, they then, in one year from the date this Law becomes effective, lose their public notary status. Therefore they may opt to maintain their public notary functions and work as Corredores de Comercio (commercial brokers).

The protagonists of the new securities' market will be the dealer-brokers (Sociedades de Bolsa) and the brokers (Agencias de Bolsa). They will be the only entities able to trade on the exchange. Under article 27 of the reform legislation, brokers may only trade for the accounts of third parties while dealer-brokers may trade for both the accounts of third parties and themselves at the same time. Individual participation in these firms is limited. Under article 46, no individual shareholder in the capital of these firms may supercede a 20% share. The purpose behind this provision was the grouping of Agentes de Cambio y Bolsa in order to create dealer-broker associations sufficiently large to compete against the large international companies which will arrive in Spain with the liberalization of the market in 1992. Additionally, in order to reach this end, equity participation of third parties who are not Agentes de Cambio y Bolsa in the dealer-broker associations is limited until 1992. Under the final provisions of the reform legislation this participation is limited to 30% in 1989, 40% in 1990, 50% in 1991, and open in 1992. Individuals or entities from countries in the EEC compete for participation by equity investments in dealer-broker associations equally with other Spaniards who are not Agentes de Cambio y Bolsa. Individuals and entities from other countries, in particular the Unit

BERNARDO M. CREMADES

ed States and Japan, may not invest in the dealer-broker associations at all until 1992. This provision allows the Agentes de Cambio y Bolsa a better opportunity to re-adjust and at the same time provides for stronger national investment and participation in the marketplace.

The New National Marketplace

The reform legislation has provisions for both the primary (Title III) and secondary (Title IV) markets. Under article 16 of Title III, new issues of securities, as a general rule, will not require prior administrative approval. However, there are several exceptions where the executive branch may determine that authorization is required by the Ministry of the Economy and Treasury or by the CNMV. Such exceptions are: 1) new issues whose principal is already listed on the index of the exchange; 2) new issues which are discounted with a period of amortization greater than one year; 3) new issues denominated in a foreign currency traded on the national exchange; 4) new issues by non-residents traded on the national exchange; 5) new issues which receive some type of tax benefit; and 6) new issues by public businesses or entities.

Though previous approval of a new issue is not necessarily required, all new issues will be subject to an independent audit and approval of a prospectus. Here again though there may be exemptions due to either the size of the offering or the number of investors the issue is offered to.

Title IV deals with the secondary market for securities. Under article 18 the secondary markets are the stock market, the market for government securities, and any other markets such as options, futures, or other securities which the executive branch deems secondary and therefore entrusted to the regulation and inspection of the CNMV. Furthermore, prices established in these official secondary markets will be considered the official market price.

The provisions relating to the secondary markets tie in the pieces to the actual operation. They re-emphasize that there is one national exchange regulated by the CNMV. They provide for the members of the exchange and regulations controlling their activity. Furthermore, they set up the mechanisms for trading—how the actual negotiation of securities is to take place. The executive branch has responsibility for the formalities of the operation of the exchange which they in turn may entrust to the CNMV. The structure of the marketplace is provided within these provisions, though it remains to be seen how market forces react to this new form.

Adaptation to the New System

There will be a lot of interaction among new players which will require adjusting on all sides. There will be a lot more competition in the marketplace, which will affect the trading of securities. Under article 56 there will be no limit on commissions similar to London's "Big Bang" deregulation, though authorities may establish maximum commissions for small investors. This will make competition in a newly formed marketplace much more fierce with a tendency to favor the bigger and better capitalized firms.

> ***“The banks of Spain were a financial force without much competition and will now have to adjust to a much more open marketplace.”***

The Banks in Spain are one institution particularly hit hard by the reform legislation and the competition arriving with the change in the financial climate. There is a movement of takeovers, both friendly and hostile, of Banks of Spain. With the reform legislation investors see a great potential for growth, given new management techniques and people, because the market is growing more competitive and open. The take-overs are currently taking place though the reform legislation has not yet been passed. However, both the liberalization of the marketplace and the reform of the securities markets play a factor in the interest of investors in taking over the Banks of Spain because of the potential growth they see. The Banks of Spain were a financial force without much competition and will now have to adjust to a much more open marketplace.

Conclusion

A change was definitely needed to meet Spain's expanding role in the world market. The drafters of the reform took what they considered the necessary steps to meet the challenge though many details must still be filled in along the way. They confronted both old and new issues facing the international securities' markets and put forth a plan to meet the needs of Spain. Yet, theory versus practice unfortunately are two different things and the story still remains to be written. The bottom line is that the market will be centralized with a regulating body and the proper provisions to begin operations. The reform legislation meets the requirements imposed upon Spain by membership in the EEC and international recognition in her potential as profitable investment ground. Furthermore, it represents integrity in the marketplace and has the ability to establish confidence in all investors. With proper handling by the parties involved there is no reason why the reformation of Spain's securities' markets should not get off to a smooth start. □

JOSE ANTONIO SEGURADO

(SIGUE DE LA PAGINA 32)

negotiations over American bases and troops in our country.

Mistakes have been made over here, too. The lack of knowledge about modern Spain, a general reluctance to accept it as a developed and progressive European country, has led, on more than one occasion, to a certain indifference on America's side, a tendency to confuse Spain with the Third World. This may have helped to fuel, involuntarily, that coolness among Spaniards to which I allude.

However, I am convinced that this situation can easily be put right. Finding out more about each other, admitting unreservedly just what and who we are, will provide a basis for the full co-operation that the bonds of western fraternity and the common defense of freedom demand of us.

Speaking personally, I can assure you that the Liberal Party will hold firmly to its present course, doing everything it can to strengthen relations between our two countries. □

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INVESTMENT

Rare Coins: After the Fall

"One of the very best means of diversification in the current investment market is rare, top quality American coins."

by Joseph A. Saccento

One day, things couldn't have been better. The next day . . . there it was, the first sentence on the first page of the Sunday New York Times Business section, October 25, 1987. It said, "The economy will never be the same."

The economy has been headed for trouble for several years now, the most obvious indicators being the trade and budget deficits, declining productivity, massive Third World debt, and, increasingly, the Persian Gulf time bomb. Less obvious, but no less critical, has been the rise in bank failures. As of July 1985, 987 of the country's 14,700 commercial banks could be found on the government's official "problem" list, a figure growing at a rate of 22 banks per month. There were 112 bank failures in 1985 alone, compared with 70 in 1984—itself a post-Depression record. Elsewhere, in 1985, no fewer than 57,067 businesses of all kinds collapsed, a figure exceeding every year since the Depression peaked in 1932—an 81 percent increase since 1970. The global economic picture is almost certain to worsen before it improves. It is, of course, a harbinger of bad times—of recession, inflation, of an economic downturn that will severely erode many of the gains won by the Reagan Administration, but another Great Depression isn't very likely. Merely sitting tight and hoping for the best, however—an essentially passive reaction—is not the way to go. Neither, necessarily, is selling out and living with your losses. Investor confidence has been shaken to the marrow, and yet, perhaps the greatest lesson of the Crash of '87 is: *You must protect your money*. To do so, your portfolio will have to return profits on the order of fifteen percent to keep you ahead of the economy.

This involves charting a course, as opposed to riding a wave. The sad truth is that many of those who were steamrolled by the market should never have been players in the first place. A great number of participants were gambling rather than investing, sometimes with their life's savings. Many knew little about their own holdings, and entertained only vague notions about how and when to get out. These men and women should have been seeking financial security, protection against a volatile world economy, and a reasonable profit. Instead, they were looking to Get Rich Quick. Given this, the outcome really is no big surprise.

JOSEPH A. SACCENTO, President of Asset Services, Inc., is widely recognized as a major pioneer in the introduction of rare coins as investments within the financial planning community both in the United States and abroad.

Prior to forming Asset Services, Mr. Saccento served as Senior Vice President of Kagin's Numismatic Investment Corporation, and also as a V.P. of Wells Fargo, handling high value shipments transported by armed air couriers. He is a member of the International Association for Financial Planning, the American Numismatic Association, the National Association of Accountants, and the American Management Association, as well as the Spain U.S.A. Chamber of Commerce.

The solution, then, is not to stop investing, but to invest truly—that is, to protect your position, whatever it may be, in the most advantageous possible way, given your income and holdings, present needs, and future expectations.

The answer can be summed up in a single word: diversification. I can't prove this at present, but I would be willing to bet that if and when the losers are polled it will be discovered that those who suffered the most on Black Monday were investors with all their available capital tied up exclusively in stocks. Wrong! *No investment does well 100 percent of the time*—which is why economists, financial planners and accountants encourage investors great and small to diversify their portfolios! As we have seen, even the greatest bull market in history eventually self-destructed; yet, if your hard-earned dollars were spread evenly among a variety of owned and loan investments, you could have lost everything you had in the market—as many, many did—and still have suffered only marginally. (Or even profited.) Those with nerve, a flexible position and some ready cash did quite respectably in the aftermath of Black Monday. One of the very best means of diversification to be found in the current investment market is rare, top-quality gold and silver American coins. For much of this century, rare coins have consistently outperformed such better known options as stocks, bonds, real estate and bullion. According to the annual survey of investments made by Salomon Brothers, the prestigious

Wall Street investment banking firm, rare coins have been the number one investment leader for the past ten years, with a 16.3 percent annual rate of appreciation. Over a fifteen year span, they ranked first at 18.8 percent.

Apart from their outstanding track record, rare coins remain particularly strong diversification tools, quite simply, because they are much less susceptible to the typical "boom/bust" syndrome than most other options—a particular plus at a time like this. Even following the Great Depression, coins recovered at a more rapid rate than the vast majority of other investments—most notably stocks. In 1929, following the crash, all assets dropped; it took the market twenty-three years to return to its previous high. That same year, 1952, the coin market had not simply recovered, but was up more than *300 percent* over its 1929 level.

The fact is that, because most numismatic investors can afford to hold onto their merchandise, it's unusual to find a high-grade coin offered for less than current market value. While prices, in theory, may be off, seldom does one sell a rare, MS-65 specimen cheaply—any more than one would unload a Rembrandt or a Mozart score for less than true value. In bad times, the bulk of the coin market simply puts itself on hold, and resumes when things pick up (usually during growth and inflationary periods). This is a feat that remains unmatched—and perhaps unmatchable—by most other investments.

Rare coins have proven solid and profitable investments owing primarily to three conditions: rarity, quality and demand. Of the tens of thousands of gold coins minted between 1795 and 1933, fewer than four percent have survived in investment grade (or mint state) condition. Because of this scarcity—because coins are held in strong, diversified hands—top-quality merchandise becomes harder to find (and thus more valuable) with each passing year.

Other positive factors combine uniquely in rare coins. They offer historical value, have worth as collectibles, and their metal content, whether .900 fine gold or silver, gives them bullion value as well. A superb hedge against inflation, rare coins are portable, highly liquid, easily bought and sold, not subject to federal disclosure rules, tax-deferred, and cheaply stored and insured. Tucked away in a safe deposit box, they require little management to make you money.

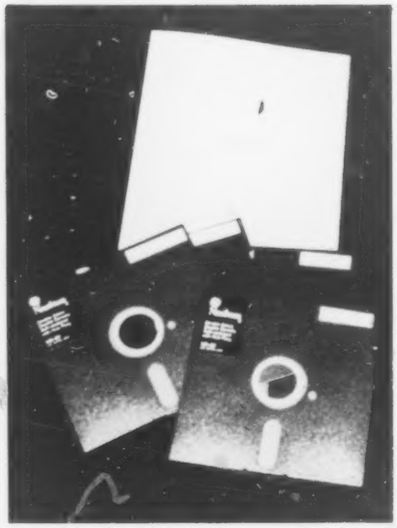
No matter what happens in the coming weeks or months, it is a virtual certainty that the great bull market of the 1980's is finished. It's also likely that the U.S., if not the entire world, is in for some rough economic times. This, alas, is normal. Markets come and go, as do financial cycles. What remains constant, for each and every one of us, is the necessity of protecting our money. From an investment standpoint, as the crash has so harshly taught us, this means diversification. And few forms of diversification have proven more profitable and dependable than rare, top-quality gold and silver American coins. □

Intechnos Introduces New Spanish-English Dictionary for Use With Personal Computers

With the proliferation of computers in homes, schools and offices, more and more companies are in the market, bringing a wave of new products. A Chamber member firm, Intechnos, has recently launched in the American market a Spanish-English dictionary for use with personal computers. The dictionary has more than 40,000 selected entries, each with one or more translations, amounting to a total of more than 90,000 words, contained in four 5¼" diskettes. It is divided into two sections, English/Spanish and Spanish/English.

This program is to be used with IBM personal computers or compatibles with a minimum of 256K RAM memory and two 5¼ disk drives. To avoid switching diskettes, the use of a hard disk is highly recommended.

The finished product is a package containing the diskettes and a 440-page book with the same information. Thus it is possible to search for an accurate translation by using either book or computer. Intechnos believes that in the near future all information will be available in both electronic and printed form, since, as Miguel Vives, president of Intechnos observes, you don't carry your computer all the time.



Obviously, the main advantage of using a computer is convenience and fast retrieval. According to Mr. Vives, in tests conducted with various people, the performance of the computer in retrieval is five to ten times faster than using a book.

Intechnos has for years specialized in products which bridge the gap between peoples and countries speaking different languages. "The Spanish-English dictionary is an educational and cultural product," says Mr. Vives "that will prove to be not only a business tool but a way to improve the communications among our countries." Some day he predicts we may see the translating machine, but this is far away.

A problem in developing the dictionary was to make it valid for all countries, since British English and American English have as many differences as Castilian Spanish and Latin-American Spanish.

"We tried to please everybody, although it is a very difficult task" says Mr. Vives. "But nowadays the world is becoming smaller and both languages are becoming more international, so that gradually the local differences will diminish." □

Spain's Growth and Modernization Create U.S. Export Opportunities

"U.S. products are beginning to benefit from both the Spanish import boom and the depreciation of the dollar."

by Christine Sloop

In the past 35 years Spain has advanced from a rural society to an industrial power, thanks to steady economic growth. This year the trend is expected to continue, with the growth rate rising from 3.6 percent in 1986 to approximately 4.3 percent in 1987—one of the highest among countries in the European Community (EC). In 1987, growth will be fueled primarily by increased internal demand, expected to grow at a real annual rate of approximately 7 percent.

Foreign investment also is expected to expand and bolster Spain's competitiveness in the EC. Since Spain joined the EC in January 1986, foreign investment has been breaking records. In 1986, total foreign investment in Spain was $10.7 billion; the United Stated accounted for $2.6 billion, second only to West Germany. Rising profits, improved business confidence, declining interest rates, and growing demand contributed to a 12 percent real increase in investment in 1986. Investment demand is expected to rise 9.5 percent by the end of this year.

The current account is another area in which Spain has a comfortable margin over many of its EC neighbors. Primarily because of receipts from tourism. Spain had a $5 billion current-account surplus in 1986. Thus, Spain has become a creditor nation.

However, inflation may dampen some of the optimism about the Spanish economy. Although inflation is moderating at 6 percent, down from double digits just a few years ago, Spain continues to have a high inflation rate relative to other EC countries. Spanish officials are hoping to keep inflation near 6 percent this year by restraining consumer prices and wages.

The government budget deficit also is worrisome. However, the current Administration has decided to take a moderate approach by increasing tax receipts and continuing government expenditures in projects aimed at restructuring industry and promoting advances in high technology. The government hopes that, by carefully directing public funds to important sectors in the economy, unemployment can be brought under control and income levels can be raised to European standards.

After more than a decade of contraction, employment grew by 2.4 percent in 1986; the unemployment rate dropped slightly to 21.5 percent. Since acceding to the EC, Spain has been trying to bring employment and wages in line with EC norms. In the short term, Spanish economic authorities are expected to continue focusing on wage moderation and monetary restraint while encouraging modernization and growth.

To assist in the modernization process, the Spanish government has liberalized foreign investment regulations, streamlined administrative procedures, and reduced areas where foreign ownership is restricted.

Spain has passed new patent and copyright laws; it now affords protection similar to other EC countries. While the United States applauds progress in these areas, there are still areas of concern in our trade relations.

A key area of concern in our trade relations stems from Spain's implementation of new quantitative restrictions under its new import regime, which could put U.S. products at a distinct disadvantage vis-a-vis their EC competitors. Several hundred million dollars of U.S. exports could be affected, and the U.S. Government has begun discussions with Spain on these restrictions. The United States, favoring free trade, advocates the elimination of Spain's import licensing and quota system.

Despite some problems, the United States has long valued its business relations with Spain. In 1986, American firms supplied 10 percent of Spain's imports, worth $2.6 billion, making us one of Spain's leading suppliers of imported food and manufactured products. On a global basis, Spain is the 21st largest outlet for American products.

Spain imports a full spectrum of products—from energy and primary materials to capital equipment and consumer manufactures. During the first half of 1987, imports of manufactured products increased 22 percent over the same period in 1986. About 60 percent of all imports were manufactured products, namely capital goods.

U.S. products are beginning to benefit from both the Spanish import boom as well as the depreciation of the dollar. U.S. exports of capital goods in the first quarter of 1987 were up 58 percent from 1986. Consumer goods also increased by 45 percent. Last year, leading U.S. exports were soybeans, feed grains, coal, tobacco, EDP equipment, computers and peripherals, electronic components, aircraft, office equipment, and telecommunications products.

(CONTINUED ON PAGE 60)

CHRISTINE M. SLOOP, born in Portland, Oregon, graduated from Smith College in 1984. She enrolled in an International Business and Economics Masters Degree program at George Washington University and in 1986 received her Masters in International Affairs. During her final year of graduate studies, she received a scholarship to the Boeki Kenshu Center, a business institute in Fujinomiya, Japan. Ms. Sloop joined the U.S. Department of Commerce in 1985 and served first in Export Administration and then in the International Economic Policy Division of the International Trade Administration. She was appointed Country Specialist for Spain in 1986.

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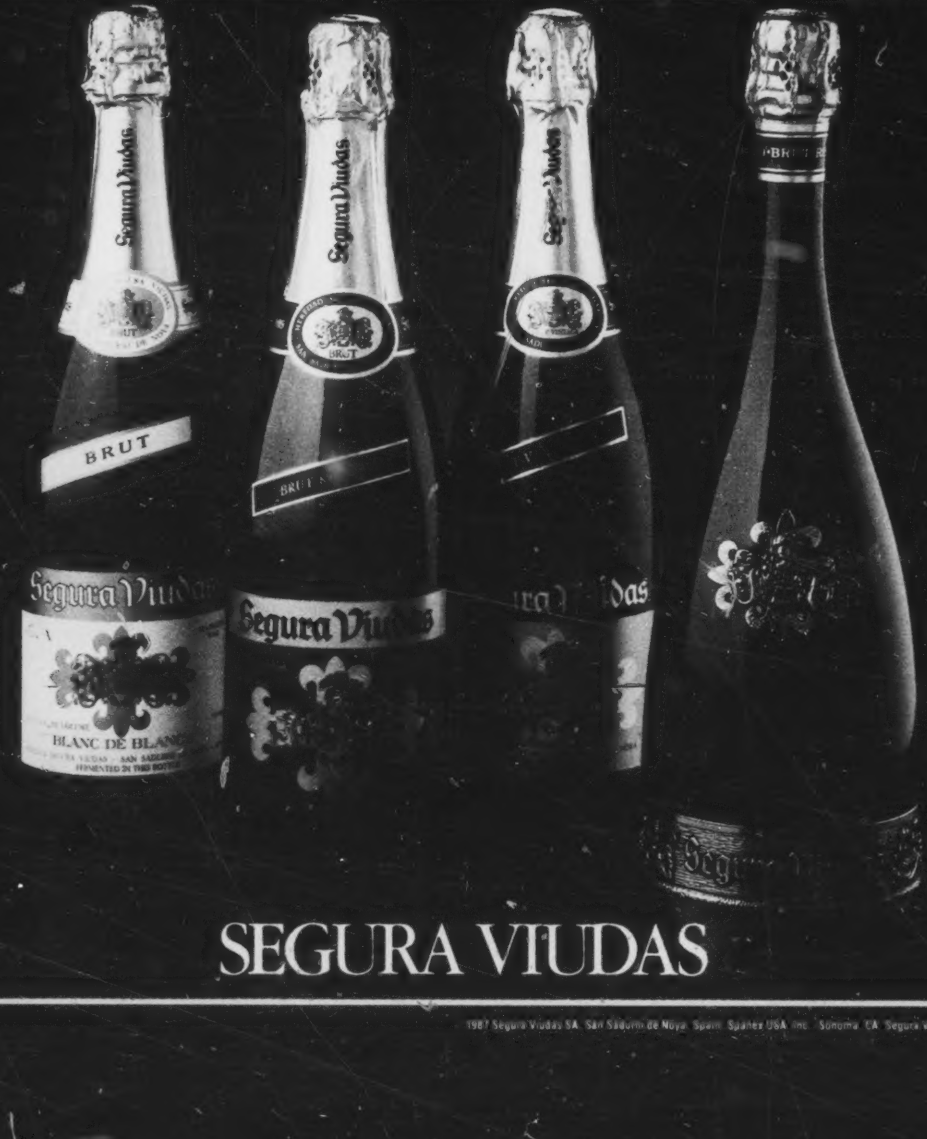

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FROM THE TOURIST OFFICE OF SPAIN

Madrid Convent-Museum Named "European Museum of the Year"

The Descalzas Reales is one of two magnificent convent-museums of "The Madrid of the Austrians"

by Pancho Shiell

The Convent-Museum of the Descalzas Reales in Madrid has been chosen as "European Museum of the Year" by the Council of Europe. Founded in 1559, the Descalzas Reales continues as an active cloistered convent to this day, in an unusual combination with its museum, filled with artistic treasures, which is open to the public. According to the jury which granted the award, it is "an oasis in the middle of the city."

The austere facade of the Convento de las Descalzas Reales gives no hint of the wealth of artistic treasures inside.

The Descalzas Reales and La Encarnación are two magnificent convents of "The Madrid of the Austrians," the era when the Habsburg monarchs reigned in the 16th and 17th centuries. Both convent/museums have recently been reopened to the public after having been closed for restoration for extended periods.

With the traditional unpretentious stone facades of the period, from the outside each convent appears austere, even stark. Their interiors, however, are awesomely opulent, filled with an astonishing wealth of artistic treasures and ornamentation bestowed by kings and nobles.

The **Convento de las Descalzas Reales** (the Convent of the Royal Barefoot Carmelite Nuns) was founded by doña Juana of Austria, daughter of Holy Roman Emperor Carlos V, sister of King Felipe II of Spain, widow (at the age of 19) of Prince Don Juan of Portugal and mother of a son who was to become the legendary don Sebastián, King of Portugal. Doña Juana had the palace in which she was born converted into the convent, using the first architect of El Escorial, Juan Bautista de Toledo. Originally, and appropriately, named Nuestra Señora de la Consolación (Our Lady of Consolation), the convent welcomed disconsolate empresses, queens, princesses and *infantas*, including Juana's sister María, Empress of Germany, and María's daughter, the Archduchess Margarita. Juana's tomb, under a statue by Pompeo Leoni, is in the main chapel and that of Empress María, designed by Crescendi, is in the choir.

Doña Juana opened the convent in 1559, two years before her brother decreed Madrid to be the capital of Spain and all her colonies; Columbus had discovered America 67 years earlier, and the Pilgrims hadn't yet landed on Plymouth Rock.

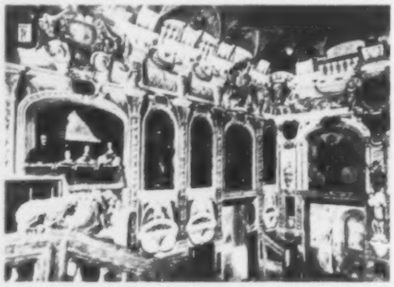
The grandiose stairway is a breathtaking example of *barroco madrileño*, with every centimeter lavishly decorated with frescos and carved wood. It leads to the upper cloister, where each of the 33 nuns. The Descalzas Reales is filled with masterpieces, including works of El Greco, Zurbarán, Titian, Sánchez Coello and Alonso Cano, and many Rubens tapestries hang in the 16th and 17th-century Flemish collection. Among the countless religious treasures is the oldest crèche in Spain.

From the windows of the upper floor you look out over what appears to be tranquil countryside but is actually a large rooftop garden where the nuns still grow their vegetables as they have for centuries. It is hard to believe that this oasis of serenity is one block from the bustling Gran Vía and practically next door to the department store El Corte Inglés.

The convent museum, first opened to the public in 1960, has recently reopened after having been closed for restoration for 14 months. A guided tour takes about one hour.

As easy downhill walk from the Descalzas Reales, between the Royal Theater and the Senate, is a secluded treelined square, one of the oldest in Madrid, the Plaza de la Encarnación—named, says one of Madrid's many place-name legends, after a fortune teller who once lived there.

Here, after five years of construction by order of Queen Margarita of Austria, wife of King Felipe III, the Agustinian **Convento de la Encarnación** was blessed in 1616, the year in which Cervantes died. It was designed by Juan Gómez de Mora, architect of the Plaza Mayor, in his severe classical style. A statue of Lope de Vega, the great poet and playwright of the Austrian Dynasty, stands in the front garden. Inset at the center of the façade, contrasting with the somber stone-and-masonry walls of the rest of the convent, is the splendid neoclassical baroque church, luxuriant with marble and jasper. It was built in the 18th century by Ventura Rodríguez, one of the architects of the Royal Palace and designer of Madrid's favorite fountains, Cibeles and Neptuno. There you may hear the nuns (16 at present) singing morning mass, but you won't see them since they, like those of the Descalzas Reales, are strictly cloistered.



The grand staircase is a breathtaking example of *barroco madrileño*, lavishly decorated with frescos and carved wood.

The Convento de la Encarnación is also filled with art treasures, including masterpieces of Spanish and Italian religious and secular art, among them important paintings of Saint Agustín. The dazzling reliquary room displays some 1,500 religious relics contained in countless priceless gold and silver urns and jeweled cases. 17th-century Talavera tiles line the bases of the walls.

The museum section of this convent, after being closed for three years for renovation, has now been reopened.

Each convent can be visited, by guided tour only, by individuals or small groups. Hours are limited because the cloistered nuns both maintain and utilize the museum sections in their daily life. Tours, conducted by resident guides of the National Patrimony, cost about 300 pesetas (approximately $2.70). Their schedules are identical: Tues.-Sat.: 10:20 a.m.-12:30 p.m. and 4:00-5:15 p.m.; mornings only on Fridays; Sunday & holidays: 11 a.m.-1:15 p.m.; closed Mondays. (There may be some variations during the summer and Christmas seasons.) English-language tours may be arranged for either museum by phoning the Office of Museums at the Royal Palace, 248-7404. ☐

New York Introduced to Royal Andalusian School of Equestrian Art

The Royal Andalusian School of Equestrian Art was introduced to New York at a cocktail press reception hosted by the National Tourist Office of Spain and Iberia Airlines on November 24th at the Metropolitan Opera Club of Lincoln Center. A video presentation by members of the School was accompanied by a continuous slide show of photographs by Mr. Daniel Aubry.

Founded in 1973 and based in Jerez de la Frontera, the main city of southern Spain's sherry country, the School is dedicated to training riders and the finest breed of Spanish horses—the Andalusian horse—in the centuries-old, classical art of riding known as "dressage". Through a combination of careful gymnastic exercises and step-by-step mental development, the horses are trained to execute the most intricate and demanding dance and acrobatic movements at the command of their dressage rider. Movements include a "Pas de deux" in which two riders, dressed in the elegant attire of 18th century Spanish gentry, perform figures with mirror-image precision; the "Quadrille", a ballet-like demonstration of elaborate, coordinated figures by several horses; and the "Airs above the ground" exhibition of graceful leaps into the air by the School's most gifted stallions.

A member of the corps of dancing Andalusian horses performing on the Domecq ranch.

Dressage in Spain traces its origin back 2,000 years, when horses of Carthaginian stock were cross-bred with Vilano, a hearty Pyrenees horse, and with Arab and Barbary strains, then perfected over the centuries to produce a horse of superior strength, coordination and intelligence that could be taught special offensive and defensive tactics for battle, tactics which included jumping into the air and kicking its opponent with its hind legs.

Today, under the technical and artistic directorship of Mr. Alvaro Domecq Romero, one of Spain's foremost authorities on horses and equestrian art, the Royal Andalusian School of Equestrian Art has transformed this ancient riding tradition into an elegant and fascinating form of horsemanship that is quintessentially Andalusian.

The School has captivated audiences throughout Europe and performed for members of the British Royal Family, the Queen of Belgium and in many equestrian championships. At its estate in Jerez de la Frontera, public performances are presented daily, except Thursdays, and visitors are welcome to tour the premises and the School's equestrian museum. ☐

New Anthology of Zarzuela Returns

The New Anthology of Zarzuela will return to the United States in April with its company of 80 singers, dancers and musicians—and some 700 custumes—presenting a lavish and completely new version conceived and staged by José Tamayo, director of the Madrid-based company. Included in the program are traditional favorites of the three-centuries-old and uniquely Spanish genre of operetta, works such as "La Verbena de la Paloma," "Luisa Fernanda," and "Doña Francisquita," vignettes from Manuel de Falla's "La Vida Breve" and Barbieri's "Los Diamantes de la Corona," and adaptations of works by outstanding contemporary Spanish composers. The schedule is as follows:

Tampa April 8-10; Key West April 12-13; Sarasota April 15; Miami April 16-17; Jacksonville April 20; Orlando April 21; Houston April 22-24; San Antonio April 26-28; El Paso April 29; Tucson April 30-May 1; San Diego May 3; Los Angeles (Pacific Amphitheater) May 6; Pasadena (Ambassador Foundation) May 7-8.

The New Anthology of Zarzuela will also return next year with a tour schedule which includes a two-week run at New York's City Center Theater from March 21 to April 2, 1989. ☐

Goya introduces Tapas

Call them appetizers or hors d'oeuvres or even elegant Spanish noshes, *tapas* are convivial eating. Invented in the taverns of Spain to provoke palate and conversation over a leisurely drink before dinner.

The drinks usually sherry. But it can be anything. It's the *tapas* that make the excitment. A great bar in Madrid could have as many as 70. Even the smallest bar, no fewer than five or six. But whatever they serve, it has verve.

Fortunately for *aficionados* here, a *tapas* spread as varied as any in Spain is as close as your Goya Section. Look at our picture: Goya chick peas, seasoned & sauteed with onions; Goya mussels, shrimps & capers, marinated in Goya wine vinegar & extra-virgin Spanish olive oil; Goya pimientos & garlic, drizzled with that classic oil; cider-poached Goya *chorizos* & apples, and Goya *empanadillas*, little spicy meat-filled turnovers (frozen, ready to heat). And Goya's wonderful giant scalloped crackers.

Goya has all kinds of makings for *tapas*, from great green olives & tuna & artichoke hearts to octopus & codfish fritter mix. Explore them. And next time it's your place for drinks, you can introduce *tapas*. By you. And by Goya. Oh Boy-a!

GOYA
MUSSELS
MEJILLONES
GOYA
GOYA
GOYA
GOYA
GOYA

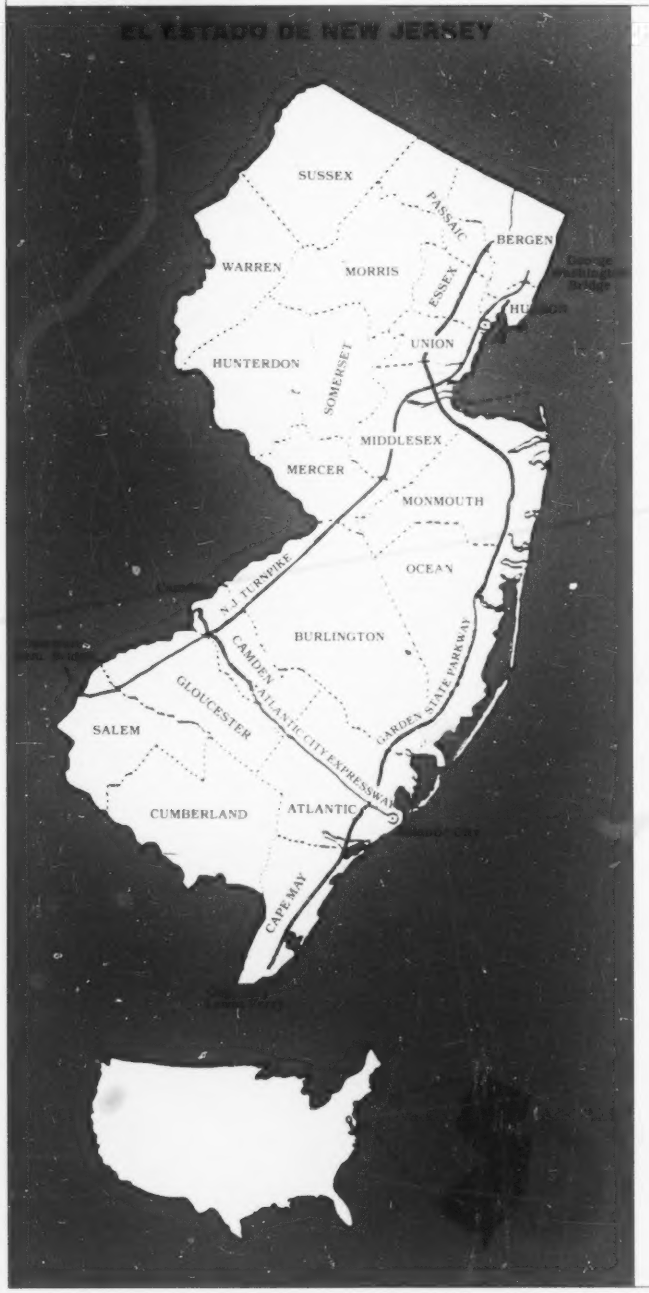
Meet them at the Goya Section. Invite them over for drinks.

Want more Tapas ideas? Send stamped self-addressed envelope to Goya, Tapas, Secaucus NJ 07094

INFORME ESPECIAL: NEW JERSEY

New Jersey: El Estado Jardín

"Un estado rico de su própia cultura y su variado follaje, con una de las economías más fuertes del país".



por Felipe Roca

Benjamin Franklin comentó en una ocasión que New Jersey era como "un barril cerrado por ambas partes", pero hoy en día el estado no es sombra de Nueva York y Filadelfia, sino al contrario un estado rico de su propia cultura, su variado follaje y con una de las economías más fuertes del país.

New Jersey, una de las trece primeras colonias, goza de una larga y significativa historia. Sus primeros colonizadores a lo largo del Río Delaware. Eventualmente los británicos impusieron su dominio hasta su independencia durante la Guerra Revolucionaria. Por su ubicación entre dos ciudades importantes, New Jersey jugó un papel clave durante la guerra. Batallas muy importantes tales como las de Trenton y Monmouth se libraron allí. El General Washington durante dos inviernos acampó con sus ejercitos en las colinas de Morristown y como resultado de sus actuaciones guerreras y su significado en la Nación orgullosamente puede exhibir más sitios históricos que cualquier otro estado de la Unión.

El factor de mayor importancia histórica del estado ha sido y continua siendo su gente. La población actual de New Jersey es de siete millones y medio de habitantes que contribuye enormemente al adelanto en las artes, la ciencia, la tecnologia y la economía. El número de habitantes en un área relativamente pequeña—7 millones 500 mil millas cuadradas, hacen que sea el más densamente poblado de los Estados Unidos y podría llegar a pensarse que sea una gran ciudad, lo que está muy lejos de la verdad, pues aun retiene su base agrícola responsable que se le apode el "Estado Jardín". La diversidad de su agricultura, industria manufacturera y su continua expansión económica ha ido en beneficio de todos sus po-

FELIPE ROCA estudió Comercio Internacional en la New York University, obteniendo un Master in Business Administration. También ha estudiado Latin American Marketing en el Foreign Service Institute de Washington, D.C.

El Sr. Roca tiene amplia experiencia gerencial y de ventas adquirida en Bendix International Co. como Jefe de Ventas para Latinoamerica y en B. F. Goodrich Corp.

En la Administración de Mercados Internacionales del departamento de Comercio de los Estados Unidos, ha trabajado como funcionario comercial, asistente del director de exhibiciones, director del pabellón USA en Bogota, Colombia, asesor de comercio internacional, director de iniciativa de la cuenca del Caribe para el estado de New Jersey, así como Profesor de Mercados Internacionales para Bergen Community College del estado de New Jersey.

INFORME ESPECIAL: NEW JERSEY

bladores. New Jersey ocupa el segundo lugar de renta per capita.

Su composición étnica es muy variada. Casi todas las nacionalidades están representadas, incluyendo el rápido crecimiento de la comunidad de origen hispanoamericano que constituye el 9 por ciento de la población. El día de mañana cuando se lea la historia de New Jersey, se verá que los hispanos junto con otros grupos étnicos unieron todas sus fuerzas para conservar un sítio prominente en la historia.

Otra razón en su desarrollo histórico ha sido su localización geográfica: New Jersey es un núcleo importante en ese pasillo que une a Boston con Washington. Limita al Oriente con el Oceano Atlántico y Nueva York, al Norte con Nueva York, al Occidente con Pennsylvania y Delaware y al Sur con la Bahia de Delaware y el Oceano Atlántico. Su capital es Trenton en donde se encuentran ubicadas las oficinas más importantes del Gobierno y en sus alrededores varias universidades y colegios, como la mundialmente famosa Universidad de Princeton, así como Museos y Centros de Arte. Sin embargo, Trenton no es la única ciudad de importancia en New Jersey, ya que encontramos otras como Elizabeth, Newark, Jersey City, Patterson y New Brunswick, esta última sede de la mundialmente conocida firma farmacéutica, Johnson & Johnson.

El Estado también está enriquecido con sus bellezas naturales: maravillosas playas a lo largo de su extensa costa con ciudades turísticas tales como Atlantic City con sus luminosos casinos. En contraste con la región de la costa, se encuentran bellas colinas y pequeñas montañas y valles fértiles en la región de Highlands. Debido a su variedad y pequeño tamaño, New Jersey permite la tranquilidad del verano a lo largo de sus playas o practicar el ski en sus montañas cubiertas de nieve durante el invierno, sin necesidad de viajar largas horas.

El Estado dispone de un excelente sistema de comunicaciones que permite el movimiento de productos y personas. El sistema de extraordinarias carreteras es excelente con magníficas conexiones desde todos los puntos cardinales. Está servido por diez y ocho sistemas ferroviarios, incluyendo ocho que van a todas partes del país. Existen magníficas facilidades portuarias dentro de los límites con Nueva York al noroeste, los puertos sobre el Río Delaware y el Puerto Sur de New Jersey al suroeste, y el Puerto de Salem al sur. Vale la pena mencionar el Puerto de Elizabeth que es el más grande del mundo en el manejo de furgones (*containers*). El transporte aéreo es también de suma importancia. El Aeropuerto Internacional de Newark es considerado como uno de los de mayor tráfico en el pais y servirá de instrumento para el futuro desarrollo del estado. El Aeropuerto de Teterboro se esta convirtiendo en uno de los centros aéreos de distribución más grandes del país. También el Aeropuerto Internacional de Filadelfia mueve carga del sur de New Jersey.

El gran centro deportivo “Meadowlands”.

El Estado de New Jersey ha sido beneficiario del auge económico del país. Actualmente la diversidad de su economía le permite continuar su expansión a una velocidad mayor que el resto de los Estados Unidos. De acuerdo a un estudio efectuado por las Revistas *Time* y *Business Week*, New Jersey ocupa el quinto puesto entre los Estados de mayor número de compañías en expansión. El Estado también ocupa el cuarto puesto como receptor de inversiones extranjeras, cuarto también en el número de fabricantes de equipos de alta tecnologia y tercero en el número de compañías clasificadas por la revista *Fortune* entre las 500 firmas más importantes de los Estados Unidos. Entre ellas figuran Allied-Signal, Campbell's Soup, Johnson & Johnson, Merck, Prudential Insurance, Nabisco y Warner Lambert. Otra de las estadísticas, orgullo de New Jersey es el décimo lugar que ocupa el Estado como exportador en parte gracias a la ayuda que presta la Administración de Mercados Internacionales del Departamento de Comercio de los Estados Unidos.

> ***“Casi todas las nacionalidades están representados, incluyendo el rápido crecimiento de la communidad de origen hispanoamericano que constituye el 9 por ciento de la problación”***

El nivel de desempleo de New Jersey es uno de los más bajos de los Estados Unidos, alcanzando sólo un 4 por ciento. El empleo por concepto de ventas al por mayor y al detalle crecio en más de un 3.5% el año pasado y la industria de seguros, venta de finca raiz aumentó en más de un 5 por ciento. A diferencia de Nueva York, la caida del mercado en Octubre pasado no repercutió negativamente en la tasa de desempleo. El campo de la construcción continua su rápida expansión. Existe una gran demanda por concepto de espacio para oficinas y parques industriales lo cual ha generado un aumento en posiciones ejecutivas y oficinistas sobre todo en el número de firmas que continuamente se estan mudando hacia New Jersey. También por el hecho del auge en la construcción ha sido la modernización de fábricas y tecnologías por concepto de la introducción de Alta Tecnología que se ha incorporado. Este factor demuestra la seriedad de New Jersey en mirar hacia el futuro.

A diferencia de otros estados que dependen exclusivamente de una o dos industrias, New Jersey ofrece una

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gran variedad de productos elaborados. El Estado es muy fuerte en industrias tales como el de artes gráficas, maquinaria para la elaboración de textiles, metales terminados, productos químicos y sus derivados, equipos eléctricos y electrónicos, equipos médicos, y productos de caucho y plásticos. Esta diversidad en productos manufacturados conjuntamente con la industria agrícola, financiera, y de seguros previene bajas en epocas de declinación económica.

La Internacionalización de New Jersey: Una Realidad

La balanza de pagos desfavorable a los Estados Unidos, el valor fluctuante del dolar y el cambio en la economia mundial han contribuido a la importancia creciente del comercio internacional, tanto a nivel estatal como a nivel nacional, hasta el punto que hoy en día, los estados de la Unión, en forma individual promueven sus productos directamente en los mercados mundiales, como es el caso específico de New Jersey.

El comercio internacional representa un punto muy importante en la actividad económica del estado, vital para su desarrollo económico. Diariamente se crean nuevas iniciativas y proyectos que han hecho de New Jersey uno de los estados más importantes del país.

Gracias a los incansables esfuerzos para atraer inversiones extranyeras, New Jersey se encuentra en cuarta posición con respecto al resto de los estados de la nación. Más de 100 compañías, representantes de 39 países y dando mano de obra a más de 140 mil personas, han invertido en el estado de New Jersey cerca de los 10 billones de dólares. En parte se debe a su ideal ubicación en el llamado pasillo del Noroeste, y New Jersey en cuanto a la venta de sus productos al extranjero ocupa el décimo lugar en los Estados Unidos, lo que significa que el diez por ciento de su producción se vende en ultramar.

Creemos que es muy interesante citar las firmas de New Jersey que tienen filiales o subsidiarias en España, a saber:

Nombre de la compañia	Nombre de la compañia en España
Advance Corporation Ltd.	Driver-Harris Iberica S.A.
American Cyanamid Company	Cyanamid Iberica S.A.
AT&T Technology Systems	AT&T Europa
Becton Dickinson & Company	Becton Dickinson España S.A.
The Berlitz School of Languages of America, Inc.	Escuelas de Idiomas Berlitz de España S.A.
CPC International Inc.	CPC España S.A.
Fedders Corporation	Internacional de Climatización
Foster Wheeler International Corp.	Foster Wheeler Agro Development
General Cable International	Cables de Comunicación S.A.
Ingersoll-Rand Company	Compañia Ingersoll Rand, S.A.
Irridelco Corporation	Irridelco, S.A.
Johnson & Johnson	Johnson & Johnson S.A.
Merck & Company, Inc.	Merck Sharp & Dohme de España
Squibb Corporation	Squibb Industria Farmacéutica S.A.
Union Camp Corporation	Cartonajes Unión, S.A.
Warner Lambert International	Laboratorios Substancia, S.A.
Worthington Group	Worthington, S.A.

En el crecimiento del comercio internacional, New Jersey se encuentra en excelente posición. El estado no ha sido afectado como otros del país debido a la diversificación de su ecónomia y no depende de una sola industria que podria haber sido afectada por las importaciones. También con la ventaja de su magnífico sistema de transporte, carreteras y sus facilidades portuarias, ofrece incentivos económicos a los exportadores y finalmente los programas tanto del gobierno estatal como el federal permiten atraer inversiones extranjeras estímulo hacía el comercio internacional. Estas ventajas y estos atractivos ciertamente son suficiente para inducir a que otras compañias extranjeras vengan a New Jersey.

La Oficina del distrito de la Administración de Mercados Internacionales del Departamento de Comercio de los Estados Unidos ofrece una série de programas y servicios a las pequeñas y medianas compañias que se encuentren interesadas en expandir o exportar sus productos hacia nuevos mercados. Esta rama del Gobierno Federal es la única que dispone de oficinas en más de 70 países y 160 ciudades a través de sus funcionarios ubicados en las Embajadas o Consulados en el extranjero. En el caso específico de España, las direcciones y teléfonos de nuestras oficinas son las siguientes:

El Aeropuerto Internacional de Newark es considerado como uno de los de mayor tráfico en el país.

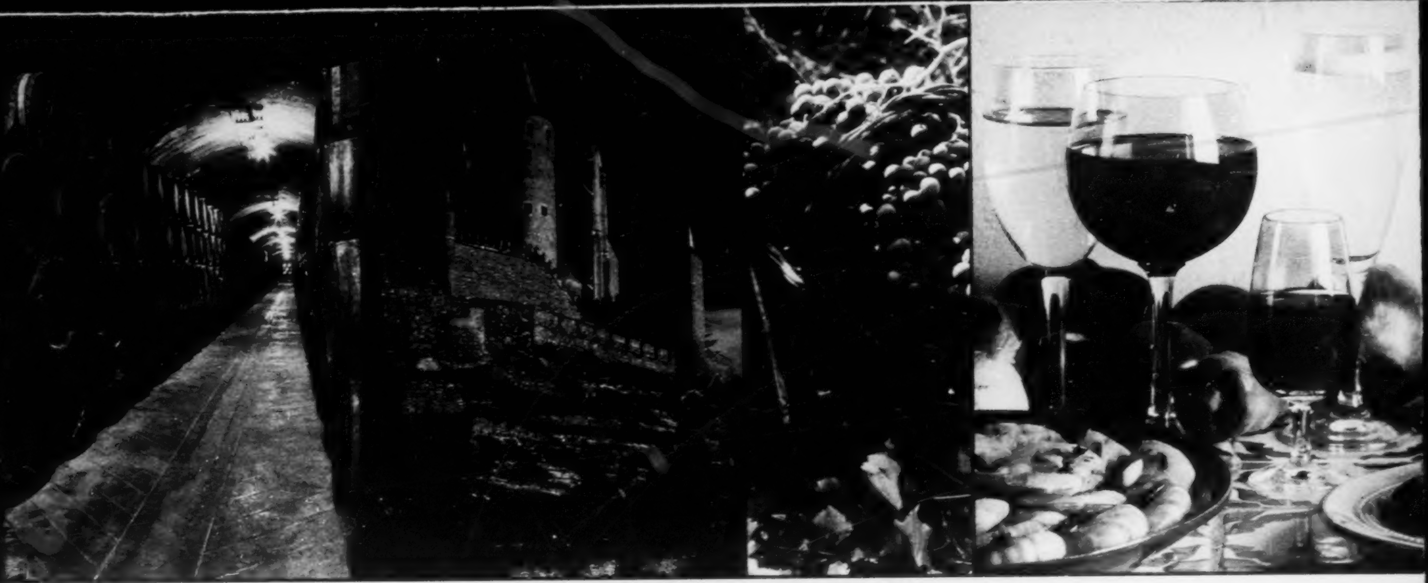
MADRID:
Embajada de los Estados Unidos de America
Serrano 75
Tel: (34) (1) 276-3400/3600
Telex: 27763

BARCELONA:
Consulado de los Estados Unidos
Via Layetana 33
Tel: (34) (3) 319-9550
Telex: 52672

BILBAO:
Consulado de los Estados Unidos
Avenida del Ejercito 11-3
Tel: (43) (4) 435-8300
Telex: 32589

Los servicios del Departmento de Comercio comprenden por ejemplo, la busqueda de firmas en el exterior que deseen servir como agentes o distribuidores de fabricantes norteamericanos, participación en exhibiciones inter-

(CONTINUA EN LA PAGINA 59)



The Other Great Europeans

Spain is producing world-class, award-winning wines to match or exceed the notable wines of any country, anywhere.

To quote Robert M. Parker, **The Wine Advocate**, "Ask a wine producer in Bordeaux what region on earth can best compete qualitatively with his, and his answer will be…Spain."

The Spanish wine industry has experienced an impressive technological revolution in the last twenty years, which together with the traditional expertise acquired by centuries of excellent production practices, place Spain among the leading countries in this activity which is intertwined with its history.

The wines of Spain owe their inherent fine qualities to splendid sunshine, superb microclimates, unique soil and varietals, as well as state-of-the-art winemaking. A strict quality control system known as Denominaciones de Origen (D.O.) assures the authenticity of wines from 27 districts. From these D.O.'s come a diversity of superb table wines, delicate sparkling cavas, sherries from dry to richly sweet, and complex brandies. Indeed, Spanish wines excel on a world-class level.

Rioja, Sherry, Penedés, Cava, Navarra, Ribera del Duero are names that are increasingly recognized in the United States and in the whole world.

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COMMERCE

Export Trading Companies: Success or Failure?

The Export Trading Company Act of 1982 aimed at promoting exports. Has there been any progress?

By Melinda M. Popiel

It is commonly agreed that the United States must dramatically and quickly increase its exports to offset the present trade deficit and to regain its leadership position in the global marketplace as it faces competition from other exporters.

Efforts have been made to encourage exportation and trade throughout American history. The U.S. has enacted the Sherman Act of 1890, the Federal Trade Commission and Clayton Acts of 1914, and the Webb-Pomerene Act of 1918. On October 8, 1982, another piece of legislative encouragement was enacted: The Export Trading Company Act.

The Export Trading Company Act was launched to meet the needs of small- and medium-sized U.S. firms seeking to export for the purpose of promoting exports while providing fewer limitations with regard to the antitrust law. By relieving exporters of these prohibitions, the new law not only encourages U.S. companies to be more competitive in foreign markets but also allows them to arrange joint ventures without being hampered by legal threats. According to the late U.S. Secretary of Commerce Malcolm Baldridge, the act was "a major breakthrough in the nation's effort to strengthen its export sector" that would "make exporting practical for small-and medium-sized firms." It also contained provisions to aid farmers by increasing commodity exports, to protect trading companies from strict government regulations, and to provide financial incentives to promote effective export trade by 1) establishing an office within the Department of Commerce to promote export trading associations and companies, 2) permitting banking institutions to participate, and 3) reducing restrictions on trade financing.

The 1982 law allows Export Trading Companies (ETC's) more flexibility. It supports not only associations but any person or organization engaged in export trade. In addition, it does not restrict the company to simply exporting but allows import trade and other services that previously were not permitted. The Act also restricts awards in private actions to single rather than treble damages, permits the payment of legal fees to the defendant in a law suit, offers credibility to the company that is exporting by issuing a Certificate of Review, and finally, encourages the exporter with fewer restraints and the above mentioned antitrust protection.

Although it is premature to evaluate the merits of the U.S. ETC program just yet, a study conducted by the Spain-USA Chamber of Commerce, reveals that the bulk of U.S. government incentives have not been geared to small- and medium-sized firms but rather to large-scale operations. Also, the ETC Loan Guarantee Program of Eximbank, which is experiencing a loss of $387 million as of September, 1987 (New York Times, December 20, 1987), has not yet been utilized intensively due to the restrictive operating conditions still imposed. However, there has been support from organizations like the Council for Export Trading Companies in Washington, D.C., which serve as intermediaries for ETC's and who encourage partnerships among them.

The Chamber interviewed seven bank holding companies ("BHC's") that are registered with the Federal Reserve Board, three non-bank related institutions created under Department of Commerce regulations, and two associations that represent ETC's in the U.S. Each company was asked what it viewed as most important in establishing a successful operation, what are an ETC's main functions, and which are the benefits and disadvantages of having an ETC since the outset of the 1982 Act.

A Successful Operation

Most of the bank holding companies feel that the greatest asset of an ETC is its expertise in the product line that is being traded which, in fact, many bankers lack. One suggestion is to have an organizational structure involving "Product Managers" or "Product Specialists" who establish trading alliances in a particular market. For example, one company stresses that the most important factors for a profitable operation are a global market, limited projects, and developed expertise. Another firm feels that it is essential to have good management, products that are in high demand, and wide distribution. The general consensus among bank holding companies is that a successful ETC can only function to its full capacity when it has the proper knowledge about its products and the market.

Two of the three non-bank related ETC's emphasized that commodity trading is a primary activity of ETC's because government agencies are most likely to financially assist commodity trading through barter and countertrade agreements. Commodities can be industrially converted to produce various end products and they have a high volume rate due to great consumer demand.

All companies interviewed agreed that knowing consumer demand is essential for defining the products most suitable for specific foreign markets. As a suggestion, an "International In-

MELINDA M. POPIEL studied at the University of Madrid and the International Institute in Madrid, Spain, and received a Bachelor of Arts from Oswego State College. She is the International Trade Coordinator for the Spain-USA Chamber of Commerce and a member of the editorial staff of *The Business Link*.

MELINDA POPIEL

frastructure" (direct contact within the foreign market) through a subsidiary or branch can provide foreigners with familiarity with the products and/or commodities being sold. For example, Japan's "Sogo Shoshas" or trading houses have been highly successful as a result of their penetration into the foreign market.

Main Objectives

Defining the operations of the company is another task that depends on the objectives of the organization. The 1982 ETC Act states that an ETC's "services" are not limited as long as they are operating legitimately and that they may include "consulting, market research, advertising, insurance, product research and design, legal assistance, transportation, communication and processing of foreign orders for exporters and foreign buyers, warehousing, foreign exchange, and financing". Also, taking title to goods is permitted in order to foster U.S. exports.

Most of the companies interviewed by the Chamber commented favorably on their success in utilizing services such as market research, product research, management consulting, insurance, and transportation to aid in import and export trade, barter and countertrade.

The 1982 law also allows an ETC to participate in shares of any company that is also an ETC. Bank-related ETC's acquisitions must however be approved by the Federal Reserve Board. The Council for Export Trading Companies reports that of its members "forty-one bank holding companies have invested in ETC's as of January 31, 1987. Of this group, nine are multinational banking institutions, and nineteen others have assets totaling over $1 billion." In fact, Title II of the Act encourages joint ventures among bank holding companies and non-banking firms to create complete ETC's by combining financial and trade services.

In addition to buying and selling goods, many ETC's find that they must execute various "offset obligations" to provide equivalent compensation of a liability or to comply with the 49 percent import, 50 percent or more export requirement of the new law. To complete those obligations barter and countertrade are often utilized. Barter is the exchange of one good for another or more simply, a "swap"; whereas countertrade involves three parties: one which may lend to the second which must lend to the third. Those who are presently using countertrade and barter feel that both provide slow profit but that undoubtedly, both methods allow those countries unable to receive extended credit to participate in trade.

> ❝ ***The bulk of U.S. government incentives have not been geared to small and medium-sized firms but to large-scale operations.*** ❞

Although countertrade and barter can provide aid in offset obligations, most ETC's involved in these arrangements recognize that there is risk involved. Since the lending is often based on an exchange of goods rather than currency, the entire operation depends on the cooperation of all the participants. Also, some feel that these methods should not be prime objectives of an ETC but rather, utilized as resources. In fact, one ETC described such functions as both time consuming and risky. More positively, bank holding Export Trading Companies (BHC-ETC's) can combine management, trade, and finance to assist in liquidating its debts.

The Present Situation

Since the 1982 Act, the outcome of ETC's and their success seem to be a question of opinion. Many feel that ETC's have not followed their predicted progress. During the Chamber's study, this question brought diversified opinions.

Many commented that financing, insurance, small capital, and limited expertise on the products and markets are the principle difficulties. Therefore, they said, it is most valuable to have a direct partner working within the foreign market. Another problem is gradual profit. One ETC observed, and others agreed, that "most ETC's are long-term investments that include many financial risks".

In addition to these problems, BHS-ETC's are encountering the same obstacles, with other restraints being imposed by the Federal Reserve Board. For example, according to Title II of the 1982 Act, BHC's may not invest more than five percent of their consolidated capital or any other surplus into another ETC. Also, the Board has the right to disaprove any trade agreement and limit the purchase of inventory.

As measures to correct these problems, joint ventures, mergers and acquisitions are continuing to be of significant interest to many banks with ETC's. According to the Council for Export Trading Companies a large number of joint ventures between BHC's and non-banking institutions have participated in ETC investments in 1986.

Along with the above-mentioned governmental restrictions, the development of ETC's are still being hampered by business attitudes. Many of these companies do not have the necessary resources to conduct extensive market research, so that much of the collected data is acquired through local resources. As a result, these companies tend to concentrate on what they can sell rather than what is needed. In addition, the United States House and Senate have not agreed on a plan for its most recent Trade Bill thereby prohibiting any further advancement for export promotion.

The U.S. Department of Commerce is, however, making an effort to increase exports for all companies engaged in trade by consulting manufacturers and suppliers on forming ETC's and ETC associations. Although there have been complications for many, these companies are also given financial aid and/or other financial resources that have provided them with the necessary tools to export more effectively.

Although it is apparent that the U.S. program has not yet demonstrated measurable success, it must be emphasized that ETC's are still in the development stage. As a suggestion, efforts should be taken in both the private and public sector to study the experiences of other countries in relation to the problems that exist for U.S. Trading Companies. Otherwise, the U.S. may find itself without Trading Companies and at a decided disadvantage within a highly competitive international marketplace. ☐

New Spanish Law Regulates Pension Plans and Funds

The objects of Law 8/1987 are to institutionalize Pension Plans as a form of savings, insure their solvency, and stimulate savings

by Miguel Jordana

The object of this Law, as indicated in the preamble, is to unify in one regulation all the dispersed rules relating to Social Security and to institutionalize a form of savings for which there is increasing demand, with a specific regulation controlled by the Administration.

By this Law, a Pension Plan is configurated as a free and voluntary security institution which may or may not be a complement of the obligatory system of social security but cannot in any case be substituted for that system. A Pension Fund is solely a medium for developing and putting into effect an existing Pension Plan.

The basic principles of a pension plan under the new Law are: nondiscrimination; obligatory assignment of the plan to a Pension Fund; irrevocability of the contributions of the promoting entity; instrumentation through capitalization systems; and assignment of title to the resources of the plan to its participants and beneficiaries.

Given the social significance of the Pension Funds, the Law establishes various controls to insure their solvency, including various administrative requirements, representation by a managing entity with the concurrence of a depository and supervision by control commissions, regulations on the composition of assets and performance of operations, the publication of annual audited statements, submission to administrative inspection, etc.

An important aspect of the Law, in addition to the wellbeing of the retired population, is the stimulating effect of the Pension Funds on long-term savings, as demonstrated by the experience of those countries with established pension funds. This is particularly important in Spain, where the capital market is weak.

Another major feature of the new Law is the provision transferring income taxes for the participants in Pension Funds to the time when they receive the corresponding payments. The Pension Funds themselves are not subject to taxation.

I. Pension Plans. Pension Plans define the rights of the persons for whom they are organized to receive income or capital on account of retirement, survival, widowhood, orphanhood or disablement, the obligations of contributors to the plan, and the rules of the constituting and functioning of the heritage in accordance with the laws affecting it.

There are two constituent subjects: The promoter (manager) of the plan and the participants, whether or not they make contributions. The beneficiaries, those who actually have the right to receive payments, are also interested parties, whether or not they have been participants.

Pension Plans can have several modalities:

A. In relation to the constituents: The *employment system*, when the promoter is the employer of the participants; *associate system*, when the promoter is an association, syndicate, or collective of which the participants are members; or an *individual system*, where the promoter is a financial entity.

B. In relation to the stipulated obligations: Plans with defined payment obligations; plans with defined contributions; and mixed plans.

MIGUEL JORDANA, an attorney, was recently named to head the New York office of the Spanish law firm of J. & A. Garrigues.

These modalities are interrelated, in that a pension plan under an employment or associate system can adopt any of the sub-modalities mentioned in b) above, although individual system plans may only adopt the modality of defined payment obligation.

In any case, each Pension Plan must specify its limitations, rules for its constitution, its financial system, its attachment to a Pension Fund, possible causes for termination of the plan, etc. Its functioning and execution are supervised by a pension control commission constituted for the purpose and made up of representatives of the promoters, participants, and all other interested parties, with the majority of representatives being those of the participants.

Regarding the financial regimen of the plans, they will be developed by financial and actuarial systems of capitalization which permit the establishment of equivalence between the actual contribution by the participants and the future obligations to the beneficiaries, those obligations being:

- in the form of capital
- in the form of income (temporary or for life)
- in a mixed form of capital and income and assuming that those payments will cover the contingencies of retirement or similar situation, disablement and death of the participant or beneficiary.

In accordance with Article 9 of the Law, the Plan's approval and review involves a sequence of acts that can be schematized as follows:

1. The promoter requests a report from an actuary related to the adequacy of the financial and actuarial system on which the project is based.
2. On receiving a favorable reply, the

MIGUEL JORDANA

promoter forms a commission to promote the Pension Plan among the potential participants. This promotional commission then proceeds to present the Plan to the pension fund in which it wishes to be integrated.

3. The Fund approves the project and takes responsibility for the conformity of the plan with the requirements of the current Law.
4. The promotional commission initiates the formalization of the Plan and appoints the control commission.
5. The financial system of the Plan is reviewed by an actuary (and must be reviewed every three years).

The Plan, with corrections and revisions, is integrated into a fund, and the relation between them will be fixed according to the rules.

II. Pension Funds. According to Article 11 a Pension Fund will be constituted, prior to administrative authorization granted by the Ministry of Economy and Finance, by a Public Deed executed by the promoting entity.

There will be established in the Ministry of Economy and Finance a Registry of Pension Funds and Management Entities of Pension Funds, in which Pension Funds will be required to register, with the plan or plans involved.

The public deed of incorporation of each Pension Fund must express several requirements: The official name of the Fund, its object, its operational rules, etc. A Pension Fund can be established for the management of only one Pension Plan.

Funds can be classified into two categories:

- Open Funds, which can channel the investments of other Pension Funds.
- Closed Funds, which can manage only the investments of Pension Plans integrated into those Funds.

Both an Open and a Closed Fund are administered by a management entity with the concurrence of a depositary and under the supervision of a control commission (which also controls the observance of the operational rules, represents the Fund, examines and approves the performance of the management entity and, as the case may be, approves the integration of new Pension Plans into the Fund.

A very important aspect of this Law, covered in Chapter 5, is the financial system of the Funds. The rules establish the minimum limit of investment in financial assets traded in organized, recognized, and open markets, in mortgage credits and in real estate, following criteria of security, income or yield, diversification and congruence. These investments can not be less than 75% of total assets. The Government establishes special limitations on investments in financial assets which appear among the liabilities of the management entities of Pension Plans assigned to a Fund. It also controls the same in the promoters or depositaries of the Funds, or with companies related to the same group.

The interest rates for the deposits of the Funds are free (Art. 16.6). In no case can liabilities vs. third parties exceed 5% of the assets of a Fund.

The annual report of the management of a Fund will be required in the first quarter of each fiscal year. It is to be submitted to the competent administrative department for approval, including the audited balance sheet and profit and loss account. This information must also be published for general circulation within the first half of the fiscal year.

III. Management Entities and Depositaries of Pension Funds. The Management Entities of Pension Funds must be stock companies (*sociedades anónimas*) which fulfill the requirements mentioned in Article 20: Previous administrative authorization, social capital fully paid-up, nominative shares, domicile in Spain, etc.; management entities may also be insurance companies, authorized to operate in the life insurance branch which fulfill the above-mentioned requirements.

The basic requirement of a Depositary is that it must have its legal domicile in Spain and that it can be the depositary of only one Fund.

The substitution of management entities and depositaries is considered in the cases mentioned in Article 23:

- by request of the management entity with prior appointment of the substitute.
- by decision of the control commission of the Pension Fund and with the important rule that the Fund will be dissolved if in one year a new management entity or depositary is not appointed.

IV. Administrative Control System. The administrative inspection of those Pension Plans and Pension Funds is the responsibility of the Ministry of Economy and Finance, which, in exceptional cases, can order their auditing.

Infractions are classified as light, serious and very serious with sanctions of between 500,000 and 25,000,000 pesetas. Sanctions are of an administrative nature without prejudice of responsibilities of other orders which may be involved.

The competent administrative authority to impose these penalties may be, depending on the case, the Minister of Economy and Finance or the Board of Ministers.

V. Fiscal Regimen. This section deals with the fiscal process of the contributions made to the Pension Plans, as well as the lending process of the Pension Plans (which shall be integrated on a taxable base of the IRPF). The tax system of the funds is under the corporation tax with a type of "0" tax obligation, being entitled to a return of the withholdings that were made.

VI. Additional Disposition. It is important to note that the reference made to the petition to the administrative authorities must be resolved, in a precise method, in a period of six months.

VII. Transitory Dispositions. It is understood that, in the period of one year from the date the regulation of the current law enters into force and effect, a limited number of institutions as entities of social provision, labor foundations, etc., can be constituted as Pension Funds. ☐

Father of Joseph Sanchez Dies

Joseph C. Sanchez, father of former Chamber President Joseph R. Sanchez, died on December 29th.

The president, directors and staff of the Chamber wish to express to Mr. Sanchez and his family our most heartfelt sympathy.

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International Fairs in Spain, 1988

PLACE AND DATE	EXHIBITION	ORGANISER'S ADDRESS
JANUARY		
Zaragoza—12 to 15	International Show for Export Support (PROEXPORT)	Apartado 108, Zaragoza Tel. 76-31 3211 Tlx. 58185 FEMU
Madrid—14 to 18	International Jewelry Fair (IBERJOYA)	Apartado 11011, Madrid Tel. 10470 10 14 Tlx. 44025 IFEMA
Barcelona—15 to 18	Exhibition of Fashion in Suede, Nappa and Double Face (PIELESPAÑA)	Avda. Maria Cristina, Barcelona 08004 Tel. 3-233 3101 Tlx. 50458 FOIMB E
Valencia—19 to 23	International Exhibition of Household Textiles (TEXTILHOGAR)	Apartado 476, Valencia Tel. 6-340 1011 Tlx. 62435 FERIA E
Zaragoza—20 to 24	7th Machinery & Cellar Equipment Show (ENOMAQ)	Apartado 108, Zaragoza Tel. 76-31 3211 Tlx. 58185 FEMU
Madrid—27 to 31	International Tourism Fair (FITUR)	Apartado 11011, Madrid Tel. 1-470 10 14 Tlx. 44025 IFEMA
Valencia—29 to 31	International Children's and Teenager's Fashion Show (FIMI)	Apartado 476, Valencia Tel. 6-340 1011 Tlx. 62435
Barcelona—30 to February 7	International Boat & Caravan Show (CARAVANING)	Avda. Reina Maria Cristina, Barcelona 08004 Tel. 3-223 3101 Tlx. 50485 FOIMB E
FEBRUARY		
Barcelona—1 to 3	Men's Prêt-à-porter Fashion Show—Salon Gaudi—First Edition	Avda. Reina Maria Cristina, Barcelona 08004 Tel. 3-223 3101 Tlx. 50458 FOIMB E
Valencia—11 to 16	International Toy Fair (FEJU)	Apartado 476, Valencia Tel. 6-340 1011 Tlx. 62435 FERIA E
Madrid—11 to 16	International Fair of Contemporary Art (ARCO)	Apartado 11011, Madrid Tel. 1-470 to 14 Tlx. 44025 IFEMA
Valencia—12 to 16	International Special Teaching Materials, Techniques & Stationery Show (DIPA)	Apartado 476 Valencia Tel. 6-340 1011 Tlx. 62435 FERIA E
Valencia—13 to 18	International Fair of Ceramics, Glass & Decorative items (CEVIDER)	Apartado 476, Valencia Tel. 6-340 1011 Tlx. 62435 FERIA E
Barcelona—19 to 21	Ladies' Prêt-à-Porter Fashion Show—Salon Gaudi—First Edition	Avda. Reina Maria Cristina, Barcelona 08004 Tel. 3-233 3101 Tlx. 50458 FOIMB E
Zaragoza—19 to 23	5th International Fair of Public Construction Machinery (SMOPYC)	Apartado 108, Zaragoza Tel. 76-31 3211 Tlx. 58185 FEMU E
Madrid—25 to 28	International Exhibition of Women's Fashion (IMAGENMODA)	Apartado 11011, Madrid Tel. 1-470 10 14 Tlx. 44025 IFEMA
Valencia—27 to March 2	Ceramics, Glass & Building Materials Exhibition (CEVISAMA)	Apartado 476, Valencia Tel. 6-340 1011 Tlx. 62435 FERIA E
MARCH		
Barcelona—4 to 9	International Food Exhibition (ALIMENTARIA 88)	Avda. Reina Maria Cristina, Barcelona 08004 Tel. 3-223 3101 Tlx. 50458 FOIMB E
Bilbao—5 to 14	Antiques Exhibition (ANTICUARIOS)	Apartado 468, 48080 Bilbao Tel. 4-441 5400 Tlx. 32617
Madrid—8 to 11	Safety and Security Show (SICUR)	Apartado 11011, Madrid Tel. 1-470 10 14 Tlx. 44025 IFEMA
Zaragoza—18 to 24	International Agricultural Machinery Technical Fair (FIMA)	Apartado 108, Zaragoza Tel. 76-31 3211 Tlx. 58185 FEMU
Barcelona—22 to 24	Sports & Camping Exhibition (SPORT 88)	Avda. Reina Maria Cristina, Barcelona 08004 Tel. 3-223 3101 Tlx. 50458 FOIMB E
Barcelona—23 to 26	Thread Display, First Edition (MOSTRA)	Avda. Reina Maria Cristina, Barcelona 08044 Tel. 3-223 3101 Tlx. 50458 FOIMB E
APRIL		
Barcelona—11 to 16	Computer & Data Processing Show (INFORMAT 88)	Avda. Reina Maria Cristina, Barcelona 08004 Tel. 3-223 3101 Tlx. 50458 FOIMB E
Barcelona—11 to 15	Exhibition of Professional Electronics Equipment and Components (EXPOTRONICA)	Avda. Reina Maria Cristina, Barcelona 08044 Tel. 3-223 3101 Tlx. 50458 FOIMB E
Bilbao—13 to 17	Sanitary, Heating, Cooling & Energy Source Exhibition (AMBIENTE)	Apartado 468, 48080 Bilbao Tel. 4-441 5400 Tlx. 32617
Bilbao—13 to 18	Exhibition of Interior Architecture (INTERARK)	Apartado 468, 48080 Bilbao Tel. 4-441 5400 Tlx. 32617
Valencia—13 to 18	International Metal Art, Lamps & Jewelry Fair (FIAM)	Apartado 476, Valencia Tel. 6-340 1011 Tlx. 62435 FERIA E
Barcelona—13 to 17	International Tourist Fair	Avda. Reina Maria Cristina, Barcelona 08004 Tel. 3-223 3101 Tlx. 50458 FOIMB E
Zaragoza—15 to 19	International Show of T.V. Productions (MUNDITELE)	Apartado 108, Zaragoza Tel. 76-31 3211 Tlx. 58185 FEMU
Madrid—22 to 25	International Optical Instruments Exhibition (EXPO-OPTICA)	Apartado 11011, Madrid Tel. 1-470 10 14 Tlx. 44025 IFEMA
Valencia—28 to May 2	International Fair of Modern and Contemporary Art (INTERARTE 88)	Apartado 476, Valencia Tel. 6-340 1011 Tlx. 62435 FERIA E
Barcelona—30 to May 5	International Automobile Show (EXPOMOVIL 88)	Avda. Reina Maria Cristina, Barcelona 08004 Tel. 3-223 3101 Tlx. 50458 FOIMB E

MAY		
Valencia—7 to 15	International Fair of Valencia (FIV)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Madrid—7 to 15	International Do-It-Yourself Fair	Apartado 11011, Madrid Tel 1-470 10 14 Tlx 44025 IFEMA
Valencia—14 to 17	Fair of Perfumery, Cosmetics & Hairdressers (DROGUEXPO)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Valencia—26 to 29	International Exhibition for the Pharmaceutical Industry (EXPOFARMACIA)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Bilbao—27 to June 5	Exhibition of Consumer Goods (EXPSCONSUMO)	Apartado 468, 48080 Bilbao Tel 4-441 5400 Tlx 32617
Barcelona—30 to June 5	International Samples Fair of Barcelona	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
JUNE		
Bilbao—13 to 17	Medical & Hospital Equipment Show (HOSPITAL)	Apartado 468, 48080 Bilbao Tel 4-441 5400 Tlx 32617
JULY		
Valencia—14 to 16	International Children's & Teenager's Fashion Show (FIMI)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Zaragoza	International Show of Competition Vehicles & Related Activities (EXPOBAJA)	Apartado 108, Zaragoza Tel 76-31 32 Tlx 58185 FEMU E
AUGUST		
Barcelona—29 to 31	Men's Prêt-à-Porter Fashion Show—Salon Gaudi	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
SEPTEMBER		
Barcelona—13 to 15	Sports & Camping Exhibition (SPORT 88)	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
Barcelona—16 to 21	International Gifts Exhibition (EXPOHOGAR)	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
Barcelona—19 to 25	International Image, Sound & Electronics Show (SONIMAG)	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
Valencia—20 to 25	International Furniture Fair (FIM)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Barcelona—24 to 26	Ladies' Prêt-à-Porter Fashion Show—Salon Gaudi	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
Barcelona—28 to October 2	International Book Fair (LIBER 88)	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
Bilbao—28 to October 1	Exhibition of Hardware D.I.Y. Kitchenware (FERROFORMA)	Apartado 468, 48080 Bilbao Tel 4-441 5400 Tlx 32617
Madrid—29 to October 2	Internatic[illegible]xhibition of Women's Fashion (IMAGEN[illegible]A)	Apartado 11011, Madrid Tel 1-470 10 14 Tlx 44025 IFEMA
OCTOBER		
Madrid	Craftsmanship International Fair (FINART)	Apartado 11011, Madrid Tel 1-470 10 14 Tlx 44025 IFEMA
Barcelona—12 to 16	Jewelry, Clock, Watch & Machinery Fair (BARNAJOYA)	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
Valencia—15 to 19	International Horticultural Show (IBERFLORA)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Valencia—15 to 19	International Agricultural Production and Marketing Show (EUROAGRO)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Valencia—15 to 19	International Bakery, Confectionery, Ice Cream & Associated Industries Fair (MAICOP)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Valencia—15 to 19	International Fair of Meat Industries (EXPOCARNE '88)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Valencia—15 to 19	International Fair of Cooling systems (EXPOFRIO '88)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
Madrid—18 to 22	International Fair of Electric Material for Installation and Electrification (MATELEC)	Apartado 11011, Madrid Tel 1-470 10 14 Tlx 44025
Barcelona—19 to 22	16 Thread Display Exhibition (MOSTRA)	Avda. Reina Maria Cristina, Barcelona 08004 Tel 3-223 3101 Tlx 50458 FOIMB E
Bilbao—19 to 26	Spanish Machine Tool Biennial (BIEMH)	Apartado 468, 48080 Bilbao Tel 4-441 5400 Tlx 32617
Valencia—22 to 30	International Fair of Antiques (ANTICUARIOS '88)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435
Valencia—29 to 31	International Professional Hairdressing Fair (EVENT '88)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E
NOVEMBER		
Bilbao	International Exhibition of Minerals & Fossils (FOSMINER)	Apartado 468, 48080 Bilbao Tel 4-441 5400 Tlx 32617
Bilbao—15 to 19	International Fair of the Naval, Sea Port, Fishing Industry & Offshore (SINAVAL)	Apartado 468, 48080 Bilbao Tel 4-441 5400 Tlx 32617
Madrid—18 to 25	International Business Equipment and Data Processing Show (SIMO)	Apartado 11011, Madrid Tel 1-470 10 14 Tlx 44025 IFEMA
Valencia—22 to 25	International Amusement Trades Exhibition (INDUFERIA)	Apartado 476, Valencia Tel 6-340 1011 Tlx 62435 FERIA E

A New Financing Tool: The Home Equity Loan

A primer on home equity loans, which have grown from $20 billion in 1981 to a projected $200 billion in 1987

by Carlos Lloreda

With the inflation of the 1970's that pushed up real estate values, a new financing tool was developed in 1981 called the home equity loan. Home equity loans are basically open-ended second mortgages that consist of a revolving line of credit, usable for any purpose, that allow customers to borrow and repay whenever they choose.

As Congress has recently eliminated tax deductions for most consumer interest payments, home equity loans have grown dramatically. However, to prevent a substantial revenue drain, the government has put a cap of $100,000 ($50,000 for married individuals filing separately) on the amount of home indebtedness whose interest would be deductible. If the loan is less than $100,000 then the cap would equal the primary or second residence's fair market value less the amount qualifying for the mortgage loan deduction. An example would be: a residence has an original cost plus improvements of $150,000. Today it is worth $185,000, and the balance of the original mortgage is $120,000. Interest on a new home equity loan will be deductible only to the extent that the interest is attributable to a loan that does not exceed $65,000. Thus, the home equity interest deduction is limited to interest on $65,000, the difference between the FMW and the mortgage loan.

Recent statistics show that about 40% of the 100 million individual tax returns had itemized deductions and most of these included deductions for interest payments. In 1983 (last year available for IRS statistics) non-mortgage interest deductions amounted to $45.8 billion and consumer debt has exploded since then.

With the home equity loan, these individuals will be able to keep these interest write offs if they finance these purchases by borrowing against the equity in their homes. Because these loans are technically mortgage loans, not consumer borrowing, they get around most of the restrictions on interest deductions.

The home equity loan is convenient for both lender and borrower. Borrowers can activate the credit line by simply writing a check or, in some instances with a credit card. Interest rates are adjustable and are typically one to four percentage points over the prime rate. The borrower can pay off as much of the debt as he wants without penalty.

In a credit, lenders typically try to avoid overburdening a home with debt and therefore make sure that no more than 75% of the home's assessed value is encumbered with debt. For instance, a borrower with a home worth $100,000 could not borrow more than $75,000 on that house. If he already had a first mortgage outstanding of $50,000, the lender would open a home equity line of no more than $25,000.

The initial booking of a home equity line involves a similar amount of paperwork as a mortgage loan and such documents as an appraisal of the real estate, a title search and title insurance are required.

Closing charges are either a flat fee that will range from $200 to $800 or a small percentage of the credit line. Some lenders levy an additional annual maintenance fee for credit checks.

Typically home equity lines are authorized for five to ten years, and sometimes as long as fifteen years. The long term of these lines appeals to the borrowers who can establish a large line of credit for when it is needed. Once a customer has begun using his credit line, he will receive monthly bills, requiring a minimum payment, which is usually only the interest due for that period plus a small part of the outstanding principal.

One potential drawback to the home equity loan is if the Senate proposes closing the home equity loophole by allowing deductions for mortgage interest payments only if the loan is used for home related purposes. However most lending institutions feel that the Senate proposal would be too hard to enforce.

Home equity loans have grown from a $20 billion business in 1981 to $100 billion in 1986 and $200 billion is projected for 1987. A study by Beneficial Management Corp. has estimated that commercial banks control 60-75% of the home equity market, followed by finance companies, thrifts and securities firms. □

CARLOS LLOREDA is Vice President, Commercial Lending, of Extebank. He received his BS and MBA degrees from Fordham University.

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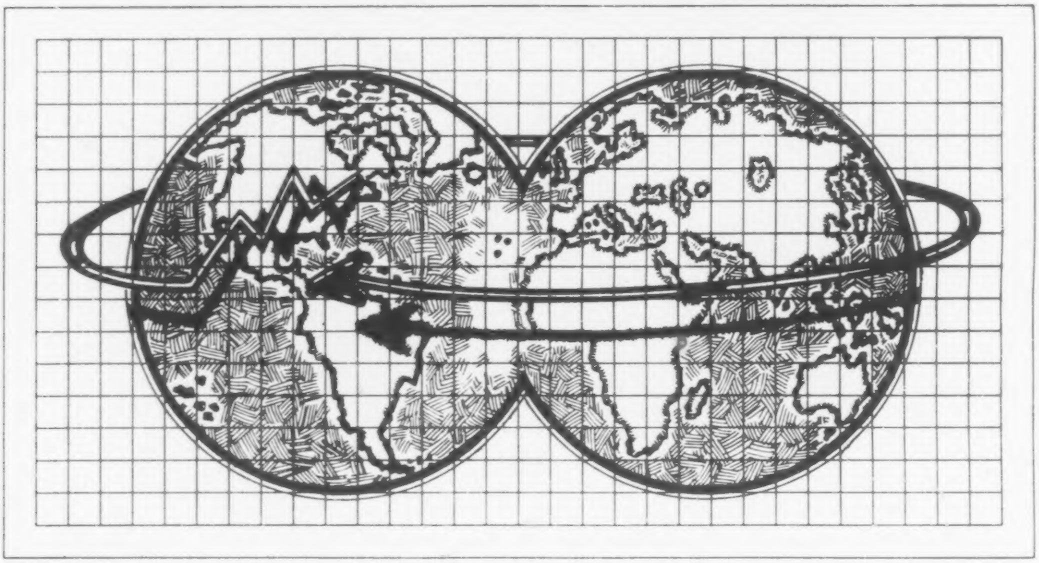

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Próxima Asamblea del A.L.D.E.E.U.

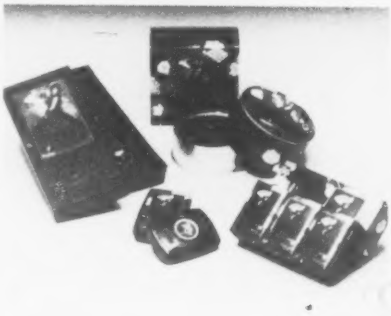
En Nueva York y del 1 al 3 de Abril la Asociación de Licenciados y Doctores españoles en Estados Unidos, celebrará su próxima asamblea plenaria. El acto se desarrollará en la Casa de España y contará con dos simposios especiales, además del programa multidisciplinario usual en el cual participan eminentes autoridades académicas de gran reputación, internacional.

Tendrá lugar el primer simposio sobre las relaciones entre los Estados y España, coordinados por el Dr. Juan Negrín y durante el mismo el Dr. James Cortada hablará sobre el "Impacto de la Historia". "Economia y Finanzas" será el tema desarrollado por D. Jaime de Piniés Bianchi, Director de Economia del Chase Manhattan Bank en España. Las "Relaciones Comerciales" estarán a cargo de Miguel Sebastiá, Director Ejecutivo de la Cámara de Comercio España-EE.UU. La "Diplomacia de EE.UU." será discutida por Nelson Ledsky, Deputy Senior Director for European and Soviet Affairs del National Security Council. La "Diplomacia de España" será planteada por el Excmo. Sr. Julián Santamaria, Embajador de España en Estados Unidos.

También por primera vez se celebrará el "Simposio Rosita Diaz de Bellas Artes" durante el cual se hará la presentación oficial de la opera "Colón" por su compositor el Maestro Leonardo Balada. Angel Gil Orrios dará a conocer la única obra teatral del pintor Pablo Picasso. Forma también parte del "Simposio Rosita Diaz" una exposición de obras por pintoras, escultoras y fotógrafas de España, México, Polonia, Francia y Estados Unidos, quienes exhibirán algunas de sus obras del 1 al 10 de Abril en los salones de exposiciones de la Casa de España.

Durante el banquete oficial del sábado 2, en el Hotel Barbizon, se entregará el Premio Anual de ALDEEU por contribuciones extraordinarias a la cultura hispana concedido en 1985 a Carlos Fuentes. El premio anual 1986 se concedió a Rosita Diaz y será entregado a un representante de la fundación que lleva su nombre. ☐

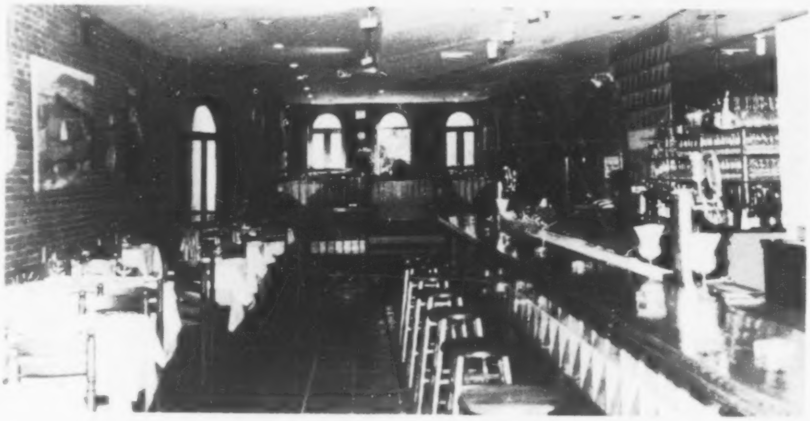
Myrurgia Names New Distributor



Myrurgia S.A., the classic Spanish fragrance house whose presence has grown steadily, world wide, for more than 70 years, has made a change in its United States distribution arrangement as of February 1st, 1988.

Colonia, Inc., of Orange, CT., became the American licensee for the Myrurgia brands, which had previously been distributed in this country by Fragrances Selective Inc. For many years Myrurgia has maintained close ties in Europe with Colonia, which distributes its products in Germany. The decision to move the U.S. distributorship to Colonia is a further cooperative step.

Maja is Myrurgia's leading brand in the American market, where its perfume soap—known as the world's leading luxury soap—enjoys distribution in major stores along with Maja fragrances and cosmetics. The more recently introduced *Le Bain Natural*, a complete body and bath care line, has also won wide acceptance in America and will continue to be importantly featured under the new licensing agreement. ☐



Alcala, New Spanish Restaurant, a Hit

In February the Alcala, the newest restaurant representing the cuisine of Spain, opened in the heart of the west side and close to Lincoln Center at 349 Amsterdam Avenue between 76th and 77th Streets.

With its brick walls, Castillian arched windows, Manises tiles and Sargadelos china (all brought especially from Spain), the Alcala has not only the name but the atmosphere of a genuine Spanish restaurant.

The wine list, containing the most prized red Riojas, exquisite white Penedes and the finest cavas, matches the high quality of the food executed by chefs Gary Hansen and Domenick Carrane, who travelled extensively and ate in over thirty of Spain's finest restaurants before opening the Alcala. They have learned to prepare not only the original and wonderful Spanish dishes but also the traditional *tapas uniques*. The service is professional, friendly and efficient.

"At Alcala, we are committed to our guests and to making them feel as if they were dining in one of the ten best restaurants in Spain," says Rufino Lopez, who is not only the manager but the soul of the restaurant.

Our advice: don't miss it! ☐

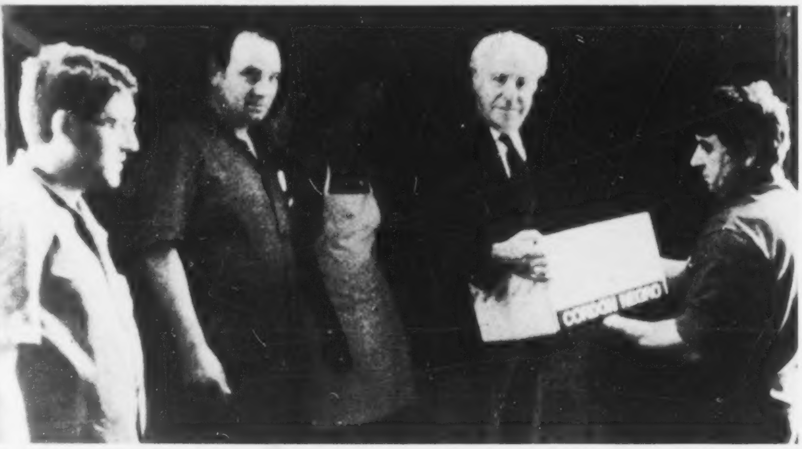
Delegado de la Cámara en España

Buena parte del incremento de actividades ilevadas a cabo por la Cámara en los pasados años se ha desarrollado en España, lo que ha mostrado una imperiosa necesidad de poder seguir de cerca las colaboraciones con entidades españolas. Las dificultades que plantea la diferencia horaria se ven agravadas por la necesidad de un continuado seguimiento a cada proyecto.

Con el fin de consolidar la actividad de la Cámara en España y facilitar la comunicación y seguimiento de nuestras actividades, el Board of Directors, a propuesta del Comité Ejecutivo, aprobó la nominación de Antonio Camuñas como director adjunto delegado en España.

Antonio Camuñas, hasta ahora director adjunto en las oficinas centrales de Nueva York, conoce profundamente la estructura de la Cámara y su funcionamiento. Antonio, con extensas relaciones en España y cuya actividad profesional actual y negocios familiares le imponen un reparto de tiempo entre España y Estados Unidos, será un gran representante de la Cámara que sin duda, se verá beneficiada con su gestión.

Nuestra enhorabuena al hasta ahora editor de estas páginas, y nuestros mejores deseos de éxito ante la nueva responsabilidad que asume.



THANKS A MILLION, AMERICA. Jose Ferrer, President of Freixenet, S.A., personally readies the one millionth case of Cordon Negro for shipment to the U.S. as Freixenet employees at the San Sadurni de Noya, Spain winery look on. Freixenet has been the largest importer of sparkling wine to the U.S. for the past three years.

Bienvenida Maria Rotondo

Esta Cámara de Comercio da la bienvenida a la nueva becaria de la Cámara de Comercio e Industria de Madrid.

Maria Rotondo, 23 años, es graduada en ciencias Económicas por la Universidad Complutense de Madrid y ha ampliado sus conocimientos en dos universidades Americanas.

Se trata pués de una joven de muy sólida formación en Economía Internacional que durante este año 1988 y desde la Spain-USA Chamber of Commerce se encargará de promocionar a las empresas madrileñas interesadas en introducirse en el mercado Americano, además de realizar los tradicionales estudios de Mercado.

¡Suerte María y Bienvenida!

NEW JERSEY: EL ESTADO JARDIN

(SIGUE DE LA PAGINA 47)

nacionales, exhibición de catálogos, misiones comerciales, investigaciones de mercados y análisis de los mismos, informaciones económicas y financieras de firmas extranjeras, estadísticas de exportaciones e importaciones, seminarios y conferencias sobre tópicos de interés y asesorias individuales por parte de funcionarios especializados.

Está série de iniciativas y servicios permiten que las firmas de New Jersey penetren mercados extranjeros con la confianza de estar respaldados por el Departamento de Comercio, así como también las compañías extranjeras disponen de la asesoría en sus países para la expansión de sus actividades comerciales con fabricantes norteamericanos.

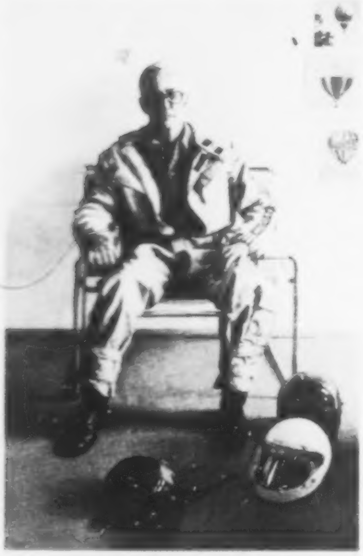
ROBERT A. KOHN

(CONTINUED FROM PAGE 16)

tablish good working relationships in Spain.

Spain is the tenth largest industrial power in the world with an economy comparable in size to that of California. Madrid and Barcelona vie with each other to be the business center of the country—the competition between the two is remarkable. In most cases, business visitors should visit both cities, since there are key contacts for almost every sector in both locations. In addition, there are growing opportunities outside these two cities. With the gradual devolution of political and economic power to regional governments, decisions on major projects representing significant sales and investment opportunities will increasingly be made in Seville, Bilbao, Valencia, Zaragoza, and other regional capitals.

As I have come to appreciate the tremendous opportunities in Spain for American products, I have been struck by the relative absence of American businessmen in the marketplace. Most U.S. multinationals, of course, are well established in Spain. Medium-size U.S. firms, however, are still conspicuous by their absence. Although U.S. exports to Spain have increased 16.5 percent in dollar terms in the first eight months of 1987, we continue to lose market share to the Europeans and the Japanese who are more aggressively taking advantage of the Spanish import boom. The word may be slowly getting out—but far too many opportunities remain untapped. FCS is here in Spain waiting to help you.



This portrait of Malcolm S. Forbes by Claudio Bravo, loaned by the *Forbes Magazine* Collection, was one of the highlights of an exhibition of Spanish realist paintings and drawings held at the Staempfli Gallery in New York in February. Some 30 works by six important contemporary Spanish artists were exhibited. The artists, in addition to Claudio Bravo, were Cesar Galicia, Antonio López-Garcia, Gerardo Rita, Fernando Rivero, and Cristobal Toral.

CHRISTINE SLOOP

(CONTINUED FROM PAGE 40)

Not all is rosy, however. As a result of Spain's entry into the European Community, producers in other EC countries now have duty-free access to the Spanish market. American exporters have to hop over a tariff wall, putting them at a disadvantage. While this can be a significant disadvantage in many industrial areas, in most agricultural areas it poses a barrier that is impossible to cross.

During Spain's first year in the EC, a dramatic change has occured in its foreign trade patterns. Spain has come to rely more heavily on EC imports, as well as on EC markets for its exports. Obviously these new links with the EC will affect Spain's relations with the United States. Traditional U.S. export prospects are disappearing in the face of new competition from EC members. However, new U.S. export opportunities are emerging, as Spanish growth accelerates and Spanish industry modernizes.

The following types of U.S. products have been identified as having the most potential in Spain: railway/highway construction equipment, civil avionics equipment, computers, peripherals and software, telecommunications products, electronics, medical equipment, food processing and packaging equipment, educational and training equipment, safety and security equipment, flexible manufacturing equipment, and robotics. Several services also are expected to be in high demand, particularly those related to financial transactions and health care. The Commerce Department has market profiles on these Spanish industries for U.S. businesses interested in exporting to Spain. To obtain them, contact the Spain Desk, U.S. Department of Commerce, tel. (202) 377-4508.

The types of products and services that show export potential vary greatly. The upcoming Olympics in Barcelona and the 1992 World Exposition in Seville will ensure a continued interest in U.S. products. U.S. exporters should take advantage of all opportunities to capitalize on the American reputation for high-quality and high-technology goods. ☐

EXPANSION INTERNATIONAL
INCORPORATED

Is your company seeking increased distribution in Spain or the U.S.? Are you considering exporting, granting licenses, setting up a joint-venture or making a direct investment?

We are specialists in building business between these two countries. We have experienced consultants on staff in both New York and Barcelona, including business generalists and technical specialists. Call us to discuss your expansion goals: in New York ask for Tom Killiam, in Barcelona, José-María Jorda.

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Telex: 9102507895 EXPAND UO

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Santaló 45, 08021 Barcelona
Telex: 59837 SAROQ/E
Tel: 200 51 49
Fax: 318 71 26

BUSINESS OPPORTUNITIES OPPORTUNIDADES COMERCIALES

SPANISH PRODUCTS OFFERED

Lace shawls: BORDADOS FORONDA, S.A., Argote de Molina, 18 y 20; Sevilla-4; Tel. 954 22 84 67/21 56 76/21 85 88.

Saffron: JOSE VARGAS ACACIO; Export DNI 4.934.388; Villarrobiedo, Albacete; Tel: (967) 14 05 47/(967) 14 22 21; Telex: 29698 JVAR-E; Telefax: 967 14 36 17.

Polythene and polipropileno waxes: CHEMICAL WAXES; Poligono Industrial SEPES; c/Albert Einstein, s/n; P.O. Box 118; Sagunto, Valencia; Tel. (96) 266 48 00/266 48 52/266 49 11/266 4952; Telex: 62486 CWAX E.

Wine: GRUPO DE CRIADORES Y EXPORTADORES DE VINOS DE RIOJA; Gran Via 7-6°; 26002 Logroño; Tel. 25 75 55/25 76 66; Telex: 37192 GEVR.

Music: discs, cassettes, and compact discs: FONOMUSIC, S.A.; Garcia de Paredes, 12-1°; 28010 Madrid; Tel. 446 77 48; Telex7 43077 FNMC E.

Shackles and steel nautical fittings: INOX MARINE, S.A., c/Lluro, 2 o8302 Mataro (Barcelona) Spain; Atn: Sr. Javier Garcia; Tel. (938) 799-7759.

Flowers: Spanish company dedicated to importing and distributing throughout Spain bulbs, cuttings of flowers and plants, and exporting cut flowers, wishes to establish commercial relations with companies that import cut flowers or export bulbs and cuttings. Please contac, BALU S.A., Unidad Vecinal—Cabrils 2, Padre Claret edg. 4 local 8; 08348 Cabrils (Barcelona); Tel. 753 2613; Telex: 98939 BALU E.

Cosmetic products: M. Q. VICTOR, S.A.; Travesera de Grácia, 274, entlo. 1ª 08025 Barcelona, Spain; Tel: 258 9800/258 9408; Atn: Sr. Juan Cabús.

Carrajeria y herraje del mueble: EURASIA, c/Miracruz, 28-20; 20.001 San Sebastián (Guipúzcoa) Spain; Atn: Sr. Marcos Santiago Eguren; Tel: (43) 270305; Telex: 36228 CAMIN E; Fax: (43) 293105.

Anatomic bath tub: TPM TALLERES PLASTICOS MADRID S.A.; Albasanz, 36; 028017 Madrid, Spain.

Cilindros y bisagras de seguridad: IGLE S.A.; Poligono Industrial "Can Jardi", c/Schumann, 12; 08191 RUBI (Barcelona); Atn: Sr. Juan Carlos Iglesias.

Artesania en Madera: adornos navideños, juguetes, cajas; TALLER CANIGO; Avda. Vallvidrera, 22 08017 Barcelona; Atn: Anna Pares; Tel. 203 2570.

Furniture: American Importers who are seeking to buy furniture made in Spain, please contact: GABINET DE COMERCIO EXTERIOR; Gral. Martinez Campos 11, 5a. dcha., Madrid 28010; Tel. 410 67 76; Telex: 43545 CTSE.

Handicraft leather articles and gifts: CONSORCIO EXTERIOR DE COMERCIO, S.A.; P. Jacaranda, 25; P.O. Box 361; Jerez de la Frontera (Cadiz) Spain; Atn: Mr. Juan L. Calvo Ramirez; Tel. 30 29 27; Telex: 75019 FONCAB E.

Cosmetics: M. Q. VICTOR, S.A.; Travesera de Gracia, 274, e2ntlo. 1ª, 08025 Barcelona; Tel. 258 98 00; 258 94 08.

SPANISH FIRMS SEEKING AND OFFERING REPRESENTATION

Machinery for graphic arts and packaging: Factory dedicated to making machinery for Graphic Arts and Packaging. Contact: COMERCIAL SUTTER, S.A., P.O. Box 5004; 08080 Barcelona; Tel: 212 37 00/212 35 09; Telex: 50544 ESUT E.

Towel sets, kitchen towels, hotel and hospital towels, bathroom slippers, and bathrobes. : Seeks possible representatives: CORMER, S.A., Clavells, 6, 08540 Centalles, Barcelona; Tel. 93 881 2602.

Tubing supports, rings and accessories for drapery hardware manufactured in high quality solid bronze: See representative for U.S.A.: Contact: Cristina Gomez-Zubeldia, 9 Park Place; Darien, CT 06280; Tel: (203) 656-0491; or ZUARIS, S.A., c/Santa Clara No. 4; 48.006 Bilbao; P.O. Box 684-48080; Bilbao, Spain; Tel. (4) 411 74 11; Telex: 32181-32783 ZUARIS.

Shoes: Rubber firm from Spain specializing in Shoes is seeking representatives in the United States. INDUSTRIAS ARMENDARIZ SAL; Avda. S. Fernández, 54; Tel. 70 00 50/70 09 62; Telex: 37668 EYA-E; Tafalla, Navarra.

Natural food products: Dry Fruits, Canned Vegetables, Canned Seafood and Mussels, Honey, Wines, Biscuit Shops. Exporter seeks representatives and major importers. DHDA OFICINA INTERNACIONAL DE ALIMENTACIÓN, c/Ulldecona, 2, lo., 2ª; Tortosa (Tarragona); Spain.

Encajes: CENTRAL ENCAJERA, S.A.; Blondas-Tules-Velos; Calle Lauria, 27; 08009 Barcelona (Spain); Tel. 318-8478.

Conservas de Pescados y Mariscos: CONSERVAS CERQUEIRA, S.A.; c/Tomás A. Alonso, 106; Apartado 63; 36208 VIGO (Pontevedra), Spain; Tel. 23-3500/23-3507; Telex: 83043 CERCO E.

Bathroom accessories: Spanish manufacturer of all varieties seeks importers/distributors. INTERBATH ESPAÑOLA, S.A.; Apartado 36197, 28080 Madrid, Spain; Tel. 652 03 03/652 02 60/652 07 25; Telex: 43612 ITBH.

Material aerografico: Fábrica española a nivel mundial de pistolas de pintar, filtros lubrificadores y purificadores de aire, compresores para bricolage y en general todo tipo de material aerográfico. Estamos interesados en ofrecer la representación de nuestros productos para ese mercado. K "KRIPXE" S.A.; Poligono Industrial, 3 Calle 10, nave 9; Apartado 19; Alboraya (Valencia) Spain.

Maquina-herramienta: DISHECO, S.A.; Suministros Industriales; Avda. de Roma, 137; 08011 Barcelona, Spain; Telex: 97672; Tel. 254-6906; Fax: 323-3559; Atn: Sr. Ramón Sisteré.

Ferrreteria, bricolage y suministros industriales: COMERCIAL CARBONELL (Representaciones-Exclusivas); c/Consell de Cent, 83, 5 1ª, 08015 Barcelona; Tel. 325-5947; Telex: 50320; Fax: 2561004; Atn: Sr. Miquel Carbonell.

INVESTMENT OFFERINGS

Land for sale: JAVIER FERRARI PLANAS, c/Obispo Huix No. 5, Ibiza, Baleares; Tel. 30 44 97.

Offer: A Chemical specially developed for incorporation into conventional cigarette filters, with highly effective properties for the elimination of the harmful substances contained in cigarette smoke.

Apart from the main interest of cigarette manufacturers, it is also of considerable interest to manufacturers of the raw materials used in filters, as it is to filter manufacturers. Contact: Calvo Sotello, 8-4 IZDA, 39002 Santander, Spain; Telex: 35827 CCISR.

Propiedad Inmobiliaria en venta (Galicia): CELTIC HABITAT S.A., Promotora Internacional de Viviendas y Servicios; Apartado 2289; 15080 La Coruña, Spain; Atn: Sr. Juan Carlos Mirré Gavalda.

Hospital en venta: BROKER GALICIA, S.A., Asesoramiento e Intermediación; c/Federico Tapia, 49°-1°, 15005 La Coruña Spain; Tel. 242614.

Spanish Firm interested in joint ventures or other forms of cooperation with American Firms: Seeking collaboration with: Manufacturers of metal structures. Manufacturers of maintenance equipment for the treatment of solid residue, cleaning, and purifing. Transportation and warehouses. Farming and Cattle Industry. Equipment for Dairy Products. Contact: IRIS S. COOP., c/Galiano, 71 Entresuelo; 15402 El Ferrol; Tel. 981 324998/324999.

AMERICAN FIRMS SEEKING SPANISH IMPORTERS

Ladies and men's clothing: If interested in exporting to the U.S.A. send the following: 1. Information describing the product. 2. Prices and form of payment (c.i.f., Los Angeles). 3. Quantity disposable. 4. Shipment. VEXIM International, Inc., P.O. Box 75218, Los Angeles, CA 90075-0218.

Refrigerator and air conditioning company in U.S.A.: would like to establish commercial relations with a Spanish clientele. Contact: A. J. Bolt, Sales Manager, BAILEY REFRIGERATION AND SUPPLY INC., 524 N.E. 190th Street, North Miami, Florida 33179.

U.S.A. FIRM SEEKING EXPORTERS

Jewelry: Importers and distributors of jewelry to retail stores and mail order companies all over the United States. Interested in importing from Spain, and would like to get in touch with jewelry manufacturers in the following areas: 1. Sterling Silver (ear rings, rings, necklaces, bracelets, etc.) with and without semi-precious stones. Price range up to $50. 2. Custom jewelry with stones "Italian style" prices up to $15. 3. Besides buying existing lines and styles would aiso like to have own styles and designs manufactured in Spain. Contact: FLORENCIA, 18 West 27 Street 9th Floor, New York, N.Y. 10001; Tel. (212) 684-7340; Telex: 3722177; Fax: (212) 529-3511.

Mantas acrilicas y alfombras: Especializado y muy introducido, interesado en lineas nuevas. Si busca representacion/importador distribuidor pongase en contacto con: ROGELIO CERDA. 200 E. 89 St., 5F; New York, NY 10128; Tel: (212) 860-8126

BUSINESS OPPORTUNITIES (CONTINUED)

FIRMS IN SPAIN OFFERING SERVICES

Consulting firm in Spain seeking American companies interested in introducing themselves to the Spanish market, the consulting firm being their representatives and delegates. SOLUCIONES EMPRESARIALES, S.A., Avenida del Brasil, 23-10, 28020 Madrid. Tel. 455 23 36/455 21 14. Telex 48652 AGSL-E.

Professional assistance in helping American companies to find their way in Spain (legal, fiscal, accounting, and administrative services). INTERNATIONAL VENTURE CONSULTANTS, S.A., Felix Boix, 18, 28036 Madrid. Tel. 250 69 05; Telex 44247/22056. Telefax 457 53 72.

Representation: Company in Spain offers services of representation to optimize the promotion and marketing of the products represented by them. TECNICS GRUP'S COMERCIAL, Papa Pius XI, 25, Aptdo. Correos 139, 08208 Sabadell. Tel. (93) 725 91 99/(93) 725 93 87/(93) 725 98 97. Telex 59818.

Equipment for cars, trucks and buses: Offers services and distribution for U.S.A. companies. J.M.B./JOSE MARTIN BARRIGOS, Estrategias de comunicación, Imagen y Marketing. Apartado de Correos 14 928, 28028 Madrid, Spain. Tel. 734-3090/734-4231.

Buying agent and customs specialist in Spain: CRUZEXPORT, Francesc Layret, 74-B, 1° 3ª, 08290 Cerdanyola (Barcelona). Atn: Mr. Manuel Cruz.

Counseling services offered to those companies and businessmen who wish to establish and carry out importing-exporting operations, in Madrid and your region (economic situations, tax aspects, financing, market studies, and legal counseling). Interested parties should contact: BUFETE ORDUNA DIEZ, Gral. Martinez Campos 11, 5° dcha, Madrid 28010. Tel. 410 67 76. Telex 43545 CTSE.

Cement and steel specialists: International trading company KETCO, S.A., Apartado 129, Zululeta, 1-1B, 48990 Neguri (Bizcaya). Atn: Mr. Karl Erik Tjarnstrom. Tel. (94) 469-9680. Telex 31946 rbrj e/31113 ossa e.

Agente de compras: Compañia que actua como agente de compras de clientes interesados en los siguientes productos: Hojalata litografiada; Envases metálicos para alimentación; Aerosoles vacios en hojalata y en aluminio; Material seguridad para el trabajo; Confección infantil niño-niña; Calzado; Candados de seguridad para puertas metálicas. ELGON INTERNACIONAL, S.A., Floridablanca, 66-72 int. A-8, 08015 Barcelona, España. Tel: (93) 329-1204; Telex 99 354 ELGON E.

Finanzas e inversiones: Despacho profesional, asesor de inversiones, financiaciones, inmobiliario y negocios en Barcelona. ESTEVE SERRA PICOLA; c/Princesa, 20 pral. 1a; 08003 Barcelona; Tel. 93 315-1174; Telex: 93377 TXSE E.

Especializada en el área comercial de representaciones internacionales: ofrece sus servicios para contactos en España, para la exportación de productos termi nados y materias primas. Personal-Servicio Fax-Servicio Informática-Servicio Asesoria Técnica Importaciones-Servicio de Traducciones (Francés, Inglés y Alemán). ICOTSA, INTERNATIONAL OLIMPIC COMPANY, S.A. Atn: Sr. A. Puigvert; c/Miguel Tort, 20; 08750 Molins De Rei, (Barcelona).

MICHAEL GREENBERG

(CONTINUED FROM PAGE 13)

(b) Purchase Money Security Interests

Every company which makes forward sales and extends substantial open credit in connection with such sales, should be familiar with the legal rules and procedures by which a seller can take a lien on the buyer's assets to secure payment in the event of the buyer's financial difficulty. A particular application of those legal rules is the so-called "purchase money security interest" which enables a seller to take a priority lien on inventory (and identifiable proceeds therefrom) which the seller has delivered to the buyer.

Some of you business readers, I am sure, have had the frustrating experience of having delivered merchandise to a customer shortly before that customer has become insolvent and of having been an unsecured creditor in the bankruptcy sharing with other creditors in the proceeds of your own inventory. This experience can be even more frustrating if a bank or other financial institution has a floating lien on all of the customer's inventory, including the merchandise you just delivered to the customer. In such case, the general creditors watch as the customer's bones are picked clean by the secured lender and are lucky if they receive 5 cents or 10 cents on the dollar in the bankruptcy.

This need not be the case if you have taken a "purchase money security interest" in inventory you delivered to the customer by (1) having him execute a security agreement and a UCC-1 form, and by you having (2) notified prior lien holders and (3) duly filed the UCC-1 form with the appropriate governmental authorities, prior to delivery of the inventory. In such case you, and not the bank, the financial institution, or other creditors of the customer, have first call on the inventory and the proceeds from its sale to pay the customer's debt to you.

The mechanics of securing such a "purchase money security interest" are technical, and a lawyer familiar with Article 9 of the UCC should be consulted to assure that the legal rules have been followed. However, the costs of such preventative legal medicine are modest when compared to the six and seven figure losses which have been sustained in recent years by companies which were not willing, or whose management was not knowledgeable enough, to spend the money on such preventative legal medicine.

(c) Personal Guarantees

Another trap for the unwary seller is presented by the customer which is a closely-held corporation. Frequently, the principals of such a corporation do not commit the land and buildings to the capital of the corporation. Instead, these assets are leased to the corporation, with the principals drawing money periodically in the form of rent. If an insolvency situation should occur, the creditors may be frustrated in their attempts to secure payment because the principals can continue to draw out rent. Therefore, they have no incentive to agree to an equitable plan for paying the corporation's debts short of liquidation.

This is the reason why, where a closely-held corporation seeks substantial open credit beyond normal borrowing limits, the principals should be asked for personal guarantees of the corporation's debt. If they are not prepared to give such personal guarantees, the suspicion that, in the event of financial difficulties, the principals will not stand behind their corporation, may be a well-founded one. While your salesman may tell you that he will lose the sale if you insist upon a personal guarantee because others will sell the customer without one, it takes the profit on quite a number of such sales to make up for one major credit loss.

As I said at the outset, the subjects of appropriate sales terms, UCC security devices and personal guarantees to minimize risk and maximize security in the event of a market downturn, merit more thorough treatment than I give here. Depending upon interest expressed, I may devote future columns of *The Secretary's Corner* to them. In the meantime, take heed from the warning of Mr. Smith and be sure that your corporation has as much protection as is feasible with respect to its customers as a prudent hedge against a market downturn. ☐

BUSINESS

Honor the "Five Best-Managed Companies"

Profit growth, size, operating efficiency, reputation and corporate strategy are criteria

(L to R) D. Wayne Calloway of Pepsico, John Van Doorn of Business Month, Michael D. Eisner of the Walt Disney Company, Joseph R. Canion of Compaq Computer, and Donald E. Petersen of the Ford Motor Company.

Compaq Computer Corporation, the Walt Disney Company, Ford Motor Company, Merck & Company and Pepsico, named the five best managed companies in America by *Business Month* Magazine, were honored at a luncheon on February 9th at the Pierre Hotel by a group of nearly 400 executives. Among the guests were representatives of the Spanish business community including Miguel Sebastiá, Executive Director of the Chamber, and from the Commercial Office of Spain Joaquin de la Infiesta, Commercial Counselor, Josep Beltran, Department Chief for Industrial Products and Investments, and Ricardo López, Department Chief for Consumer Goods. They attended at the invitation, extended through former Chamber Treasurer Michael Bennis, of John Van Doorn, Editor-in-Chief of *Business Month*.

Business Month found that the diverse group of companies it selected as America's best-managed shared a common ability to overcome great odds, and achieved their spectacular results in 1987 by virtue of different management strategies.

- **Compaq's** challenge was to compete head-to-head with IBM, a giant over which it finally prevailed in many respects.
- **Ford** battled the Japanese stronghold and declining domestic sales to reestablish the United States as a leader in auto design and quality and raised profits by 45 percent in the process.
- **Pepsico** earned a 25 percent rise in profits this year as the result of aggressive marketing and a well planned and executed diversification strategy.
- **Walt Disney** was turned around in a short time through creative management, strict cost-cutting and a successful long-term growth plan.
- **Merck** demonstrated a creative renaissance unseen in the pharmaceutical industry by introducing nine major new drugs in the past year and concentrating its R&D on drugs that treat known illnesses.

The five firms were selected by *Business Month* editors from 20 finalists, distilled from a pool of 100 candidates, chosen by a 20-person Advisory Board of outstanding business experts from industry and academia. The finalists were measured against a five-point standard of profit growth, size, operating efficiency, reputation and corporate strategy.

"Our editors also determined that the ideal candidate has achieved its profits in the face of obstacles that would stymie the average company," said Editor-in-Chief Van Doorn. "Its success comes from the creative and skillful way in which it develops ideas, uses its resources and manages its operations and its people."

The chief executive of each company is a strong factor in the achievement of the firms, according to *Business Month*. In its December issue, the magazine did an analysis of the company heads along with an overview of each corporation's management style and philosophy.

Peter G. Peterson, former Chief Executive Officer of Lehman Brothers and now with The Blackstone Group, was the keynote speaker at the February 9th luncheon. Accepting the honors for this year's winners were Joseph R. Canion, President & CEO of Compaq Computer; Michael D. Eisner, Chairman & CEO of the Walt Disney Co.; Donald E. Petersen, Chairman & CEO of Ford Motor Co.; D. Wayne Calloway, Chairman & CEO of Pepsico; and John Lyons, Executive Vice President of Merck & Co.

Ford Chairman and CEO Petersen with Chamber Executive Director Miguel Sebastiá.

Business Month, formerly Dun's Review and Dun's Business Month, is the country's oldest business publication.

In addressing the group, which included 1987's 15 runners-up and last year's winners, *Business Month* President/Publisher Steve Blacker noted, "1988 marks *Business Month*'s 95th year; it will be our most significant one ever, with *Business Month* appearing on newsstands nationwide for the first time in July.

"In January our circulation increased by 25% to 375,000 and we surpassed Fortune magazine in delivering top management circulation. Our spectacular growth and high composition (nearly 90%) of top management executives has been a direct result of a new commitment to editorial excellence started over a year ago when the Goldhirsh Publishing Group acquired the magazine.

"Our editorial mission remains the same: to report the key issues and trends that will have the most impact on big business.

"We are attracting our quality readership with such distinguished writers as John Kenneth Galbraith, Ben Wattenberg, Walt Rostow, David Halberstam and James Fallows, as well as regular columns by Nobel Prize-winning economists George Stigler and Robert Solow.

"For those who no longer wish to do business as usual, our new network with Inc. Magazine for growing companies — America's Top Management Network, with a circulation of over one million — now delivers more top management executives in one buy than Fortune, Forbes and Business Week combined." ☐

ULTIMA PAGINA **LAST PAGE**

Diseño sin equivocos

"Solo puede hablerse de auténtico diseño cuando la forma con que se ha dotado a un objeto útil es la más simple y la más sensata para que pueda cumplir perfectamente la función a que se le destina"

por André Ricard

Los términos «diseño» y «diseñador» figuran en nuestro diccionario desde hace siglos, si bien hay que destacar que su integración al lenguaje cotidiano es relativamente reciente. De hecho, fue el ADIFAD quien impulsó su actualización cuando adoptó el término «diseño» para definir, en idioma castellano, la nueva disciplina creativa denominada internacionalmente *design*. Al hablar de diseño industrial o gráfico, la palabra «diseño» adquiere hoy, para quienes se mueven en el ámbito creativo, una muy concreta acepción que rebasa la definición de la Real Academia que reza: «traza, delineación de un edificio o de una figura» o «descripción o bosquejo de alguna cosa, hecho por palabras».

Lo que hoy llamamos diseño es, a los productos industriales, lo que la arquitectura a los edificios. Es decir, ese arte de proyectar un producto para que cumpla su función del modo más adecuado y dentro de una estética acorde con su tiempo. Asi ha de entenderse el papel del diseño en la sociedad contemporánea.

Sin embargo, no todo el mundo lo interpreta asi. Hay que reconocer que, a nivel popular, y como consecuencia de ese *boom* creado en torno a él, se ha ido viendo en el diseño un estilo o incluso una moda, con sus formas, sus códigos y sus tics. Y si la antigua definición del diccionario nos parece hoy arcaica e insuficiente, la interpretación que prolifera en los medios de comunicación resulta totalmente equivoca. El diseño no es una moda más. Por mucho que últimamente el término viene utilizándose como propio por modistos, peluqueros y otros creativos vinculados al mundo de la moda.

La estética de un objeto diseñado no es el resultado de la simple adaptación, a ese determinado producto, de las subjetivas reglas del estilo vigente. Las prestaciones utilitarias que ha de satisfacer cualquier producto imponen su forma en la forma que éste, finalmente, adquiere.

De tal suerte que la componente estética en un diseño se logra cuando se integran todas las formas y mecanismos que precisa la función en una forma global coherente y que será, consecuentemente, bella.

Es precisamente en esa conjugación armoniosa de utilidad y belleza que se distingue el llamado diseño industrial de otros creadores para quienes lo insólito y divertido priva sobre lo útil.

El papel del diseño bien entendido, no es el de maquillar los objetos, revistiéndolos en cada momento de las líneas y colores en boga. Sólo puede hablarse de auténtico diseño cuando la forma con que se ha dotado a un objeto útil es la más simple y la más sensata para que pueda cumplir perfectamente la función a que se le destina. Esta sencillez y sensatez en el planteamiento no supone que las obras que se diseñan correctamente estén desprovistas de expresividad plástica. Definen, eso si, una estética propia que poco debe a las extravagancias pasajeras de una moda. En una obra acertadamente diseñada no sólo atrae la gracia de sus formas, también admiramos en ella el modo en que estas formas han integrado las exigencias de la función sin mermarlas sino, por el contrario, exaltándolas. Esa ingeniosa integración de lo útil en lo bello es la que garantiza una cómoda y grata relación de convivencia y uso con los objetos que nos sirven.

Esta conjunción es decisiva y explica cómo los objetos bien diseñados permanecen años a nuestro lado, en pleno uso, sin que decaiga ni nuestro agrado al verlos, ni su buen servicio.

Los productos que sacrifican la utilidad en busca de una mayor originalidad de sus formas pueden resultar momentáneamente más llamativos, pero, pasado el factor sorpresa, fatigan y se hacen insoportables. Nada más efimero que aquello que ha estado de moda. Y es normal asi sea, puesto que esta fugacidad es, precisamente, lo propio de la moda. En cambio, el máximo anhelo de todo aquel que pretenda ser diseñador, es llegar a crear cosas capaces de superar la barrera del tiempo, cosas que sigan siendo apreciadas más allá de la época en que fueron creadas. ☐

ANDRE RICARD, nacido en Barcelona en 1929, es diseñador industrial desde 1958. Miembro fundador del ADIFAD, del que fue presidente (1972-1974), vicepresidente del Consejo Internacional de diseño (ICSID) durante diez años, y presidente fundador de la Asociación de Diseñadores Profesionales (ADP). Su actividad creativa alcanza, incluso productos tan insólitos como el diseño del cofre del "dossier olimpico" que Barcelona presentó para su propuesta de candidatura. Es autor de los libros *Diseño ¿por que?* (1982) *Diseño y Calidad de Vida* (1985), además de multiples articulos, publicados tanto en la prensa como en revistas especializadas.

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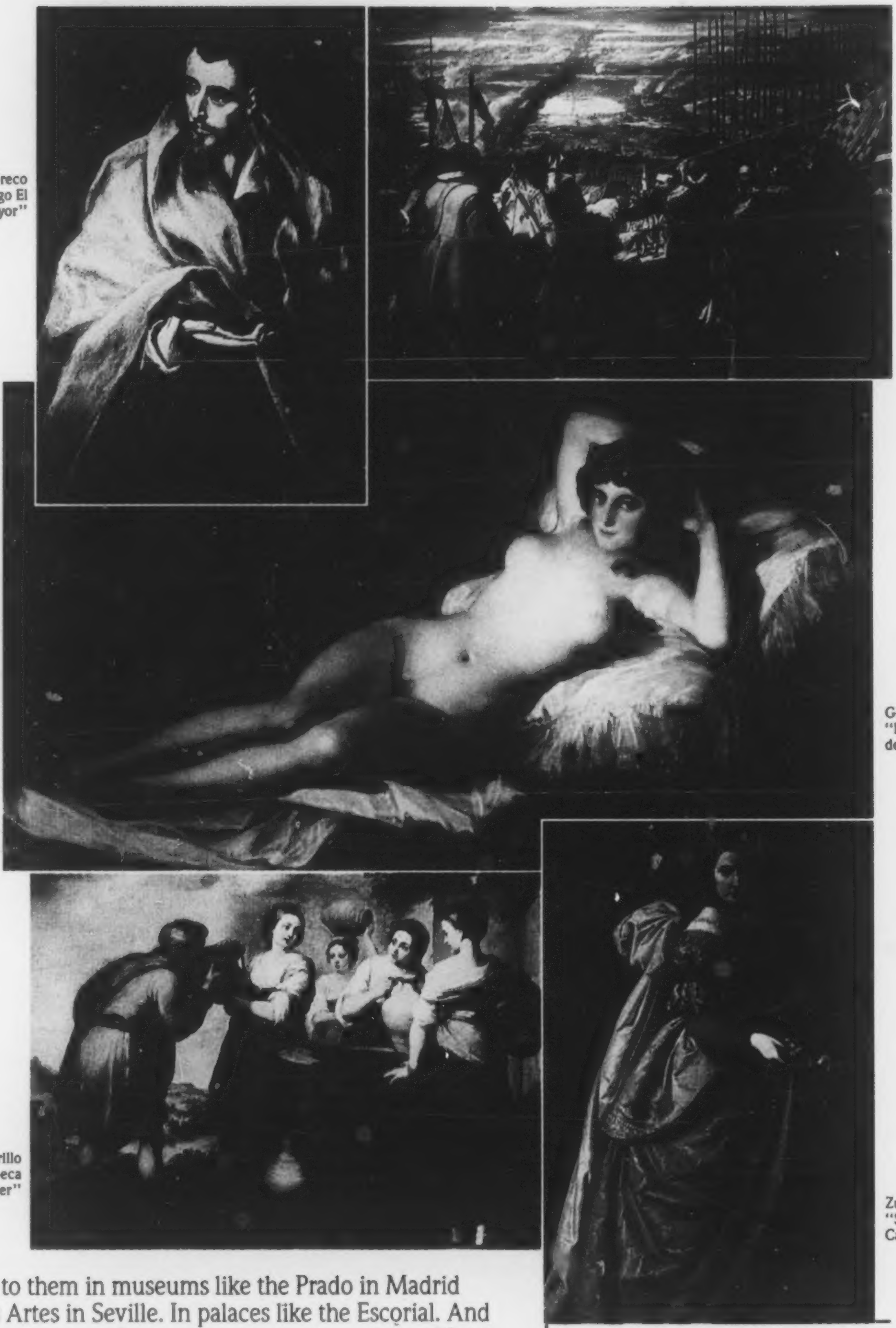

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La moda española vive años de oro y está preparada par dar el gran salto internacional. Cortesia de *Carta de España.*

El pasado 8 de Marzo, en estrecha colaboración con el Spanish Institute y en los magnos salones del Harvard Club como escenario, se ofreció un almuerzo de despedida al Embajador Manuel Sassot, Cónsul General de España en Nueva York durante casi tres años y recientemente nombrado Embajador de España en La Haya.

Fue un entrañable y emotivo acto en el que se decía adiós a un gran diplomático, excelente persona, ejemplo de dedicación a su trabajo, conocedor profundo de los movimientos sociales, culturales y artísticos de Nueva York, culto, audaz y sobre todo, gran amigo de quienes hemos tenido el privilegio de conocerle de cerca.

Desde su llegada, Manuel Sassot fue un crítico constructivo de la Cámara, que encontró en el Embajador no sólo consejo y palabras de ánimo sino un sólido y constante apoyo efectivo con su presencia y gestiones.

Manuel Sassot ha dejado en la ciudad de los rascacielos un recuerdo magnífico y admirable que sus amigos del Spanish Institute y de la Cámara de Comercio quisieron plasmar en el obsequio de una pequeña manzana de cristal para que le acompañe no solo a Holanda sino también allá donde el futuro le lleve como símbolo del cariño y apoyo de los muchos amigos que ha dejado en la "Gran Manzana". Trascribimos las palabras de despedida del Embajador:

Despedida del Embajador Manuel Sassot

Quiero agradecer a la Cámara de Comercio Hispano-norteamericana y al Spanish Institute el honor y la amabilidad que me dispensan ofreciéndome este almuerzo de despedida.

Quiero agradecer y recordar, en esta ocasión, al ex-Ministro Fernando Morán que accedió a mi designación como Cónsul General de España en Nueva York.

"New York, New York is a wonderful town". Dos años y medio me han sabido a poco. Un lapso en Nueva York enseña y enriquece. La vitalidad de la ciudad es un desafío a todos los sueños y, sobre todo, a las ambiciones de la mayoría.

Es una ciudad olímpica. Siempre se está en competición: económica, financiera, cultural, científica. En todo momento y circunstancia.

El Consulado General de España forma parte de esa competición, lo que le obliga a un análisis asiduo y exigente de su actuación.

El Consulado tiene muchas insuficiencias y carencias. De personas y de medios. Se puede remediar. hay propósitos y voluntad de remediarlo. El Consulado es la imagen administrativa de España en esta ciudad. Como tal, necesita mayor agilidad, suavidad en su funcionamiento y objetividad en sus decisiones.

Se me puede preguntar qué se ha hecho durante mi gestión. Respondo: adquirir experiencia que puede facilitar a mi sucesor la aplicación de los principios enunciados.

El Consulado no es solo una oficina administrativa. Debe ser animador,

Arriba: Gonzalo de las Heras, Ramón de Sarriera y el Embajador Manuel Sassot; A la derecha: Inmaculada de Habsburgo; Joaquín de la Infiesta, el Embajador Sassot, Fernando Aleu, y el Embajador de Espana a EE.UU., Julián Santamaria.

protector, consejero y amigo de toda actividad económica o cultural que tienda a estrechar las relaciones hispano—norteamericanas, que sirvan a un mejor entendimiento de mi país en esta ciudad, que sea puente de comprensión entre los dos países, que sirva para enaltecer el prestigio de España en la demarcación consular.

Me importa y quiero subrayar que el Consulado General es un órgano de la Administración del Estado subordinado y en estrecha cooperación con la Embajada de España en Washington. Si acertamos y lo hacemos bien, el aplauso debe ser compartido. Si no se acierta, aquí, en Nueva York, la culpa es solo del Consulado.

Pero, creo que no se está haciendo mal en Nueva York aún cuando debemos vivir inquietos y tensos con espíritu de superación. En Nueva York, hay dos organizaciones, privadas e independientes, Cámara de Comercio y Spanish Institute, que están animando, realzando, ampliando o consolidando, según casos, la imagen económica y cultural de España.

La Cámara necesita la colaboración de todos y cada uno de los españoles envueltos en relaciones económicas con Estados Unidos, especialmente en este lado del país. La Cámara necesita, además, recibir a todos y cada uno de los norteamericanos que deseen invertir, exportar o descubrir económicamente España. El Consulado ha intentado y mucho más la Oficina Comercial apoyar el desarrollo de la Cámara. Creo que así debe seguir.

El "Spanish Institute" ha ido afianzando en estos últimos años su presencia cultural en el océano de ofertas culturales que ofrece esta ciudad. El "Spanish Institute" con su buena y rigurosa selectividad cultural ha ido cobrando personalidad bien definida. Ir al Spanish Institute está pasando de ser un esnobismo a ser una realidad para el conocimiento del buen hacer cultural de España.

Yo animaría a ambos a establecer una rivalidad, dentro de un orden, una colaboración y una cordialidad como la que hoy preside este almuerzo.

Me voy muy honrado por mi nombramiento como Embajador de España en los Países Bajos. Os dejo a todos—americanos y españoles—con "mixed feeling". Tristeza por el adiós. Deseos de probaros mi amistad en mi nuevo puesto. Entre canales y tulipanes. En un "back to the future" que es lo que la creatividad holandesa representa y, por último, con un optimismo inquebrantable transformo el "adiós" en un simple "hasta pronto".

Gracias. ☐

Jesús R. Andia, Ricardo Jove, Embajador Sassot, F. Javier Collar, y Joseph R. Sanchez.

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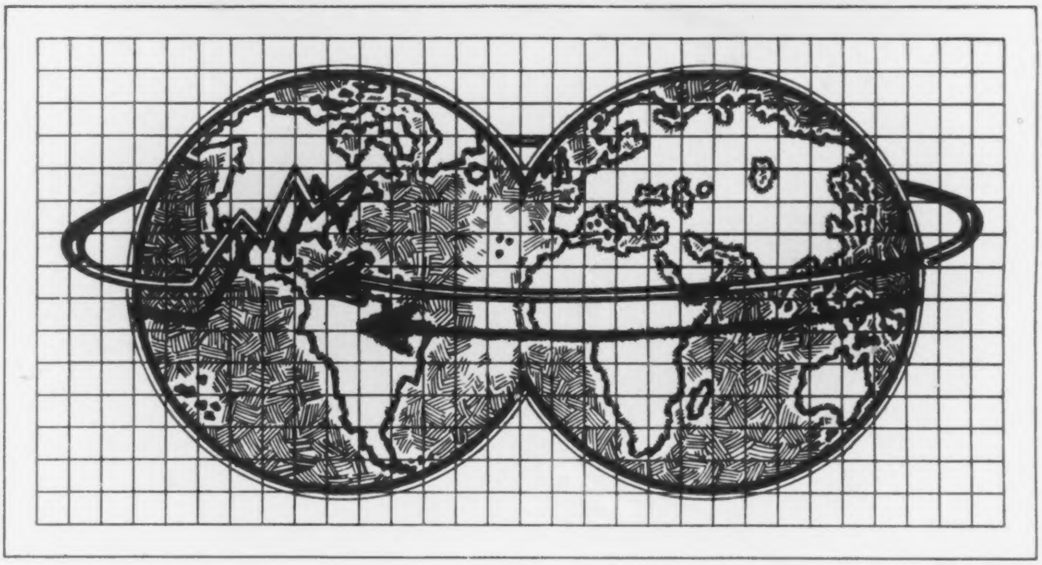

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Publications Director
MIGUEL SEBASTIA

Assistant Editor
ASUNCION IGLESIAS

Editor in Spain
ANTONIO CAMUÑAS

Layout and Production Director
DAVID THOMAS

Printing Services
EMIL COCCÈ
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Consultants

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EDITORIAL

In this issue...

The anniversary of the founding of the Chamber is celebrated every year with a Gala Dinner Dance devoted to the better knowledge of Spain. Traditionally, a special Souvenir Program has been put together containing the salutes of top personalities of Spain and the U.S., the most representative images of the Chamber's activities, and a report based on the theme of the evening. Unfortunately, these souvenir programs were distributed only among the guests attending the Gala, and many of our members and friends asked for copies. Therefore, we have decided to make it available this year to everyone by incorporating it into *The Business Link*. Hope you will like it!

In this issue you will find some of the highlights of our activities during last month, including the visit of Minister Solchaga to the Big Apple, and the farewell luncheon in honor of Ambassador Sassot, who is considered one of the most active Consuls General Spain has had in New York and to whom the directors, members and staff of this Chamber wish all the best in his new post as Ambassador to The Netherlands.

Antonio Camuñas has been not only the Editor-in-Chief but also a key figure in the creation of this new magazine. His new business commitments make it difficult for him to contribute to our publication other than periodically with his advice and cooperation. From this pages, our sincere gratitude to Antonio for his great contribution to the success of *The Business Link*.

On this, our 29th anniversary, we wish an enjoyable evening to our guests in the Grand Ballroom of The Pierre as we honor this year the beautiful Canary Islands. And we wish to extend our special gratitude to the advertisers in this special issue of *The Business Link*, who have made it possible.

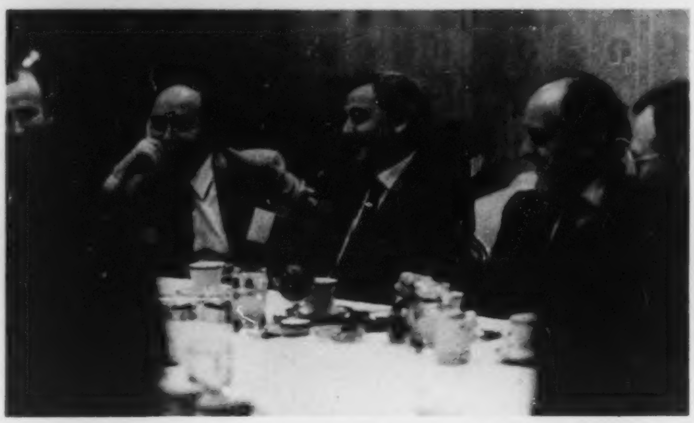
To all our members and friends, those attending the Gala and those who could not attend, many thanks for your continuing support of the Chamber, and

¡¡¡FELICIDADES!!!

ACTIVITIES OF THE CHAMBER

Minister Solchaga Meets With Chamber's Corporate Members

Emphasizes importance given to efficiency over ideology by present Spanish administration

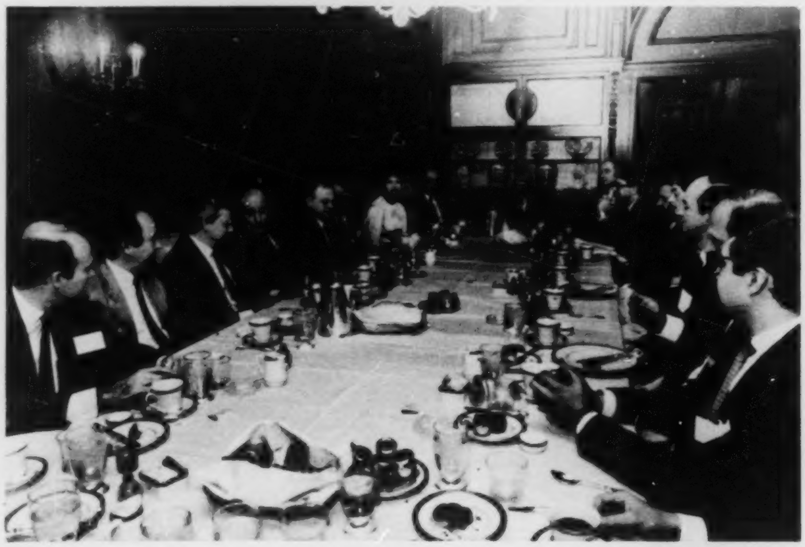


At the April 14th meeting are (L to R) Fernando Merry del Val, Miguel Angel Fernández-Ordoñez, Minister Carlos Solchaga Catalán, Luis Benitez de Lugo, and Luis Sempere.

On Thursday April 14, the Minister of Economy, Trade & Finance of Spain, H. E. Carlos Solchaga Catalan held an exclusive meeting with the Corporate Members of the Chamber. Invited by the Commercial Office of Spain and hosted by the Commercial Counselor, Joaquín de la Infiesta, the Corporate Sustaining Members of the Chamber had the opportunity not only to hear the Minister but also to ask him questions in a friendly and informal manner.

The Minister was accompanied by Miguel Angel Fernández Ordoñez, Secretary of State of Commerce, Fernando Merry del Val, General Director of Commercial Policy, Apolonio Ruiz Ligero, Executive Vice President of the ICEX (Instituto de Comercio Exterior), Luis Sempere, Chief of Staff of the Minister and Javier Martínez Arévalo, Chief of Staff of the Secretary of State.

Minister Solchaga answered several questions asked by the Corporate Sustaining Members concerning the Spanish economy and Spain-U.S. trade relations. He expressed his satisfaction with the current situation and improvement of the economy. He later emphasized the priority given to efficiency over ideological principles. He seemed particularly worried about the social impact of unemployment, especially among the youth, Mr. Solchaga pointed out that the underground economy should be considered, and that the great number of young people and particularly women trying to get into the labor market causes a continuous high rate of unemployment.



Asked about his opinion on the merger and aquisition activities among Spanish banks, Minister Solchaga expressed his concern about the small-sized domestic banking industry in view of the European competition expected by 1992 as a result of the free establishment of financial institutions within the EEC. He mentioned that this is an important and strategic sector and that he favors a process leading to more competitiveness among banks, which would also be stronger when facing undesired takeovers.

When questioned about the role of public holding companies, he again stressed the Government's commitment to economic efficiency rather than ideological guidelines. In setting the goals for the state owned or controlled companies, the Government has encouraged them to maximize their financial results and turn them in a positive direction in the medium term, so that taxpayer money can be used for more vital activities. His ministry has backed this effort by capitalizing the companies, and by allowing them to use the professional means needed for the management to make them profitable. Some tough decisions have had to be made but they have already paid off in a largely improved performance of the public companies still in the process of acquiring a higher competitive mentality.

Concerning Spain-U.S. economic relations, Mr. Solchaga mentioned some facts which have made Spanish (and some American) businessmen concentrate their interests in Spain while withholding their activities in the U.S.: huge opportunities in the Spanish domestic market, preparation and response to the growing competition from the EEC towards the wider market of 1992, and the dollar's depreciation, which has made most products barely competitive in the U.S. market. Nevertheless, he considers the U.S. an ally, a good partner for the Spanish economy, and a very important homogenous market ranked second in priority only to the EEC.

Asked about the role he foresees for a modern Chamber in a country like the U.S., he said that many changes have taken place in bilateral economical trade relations, and that today's needs in fostering commerce are quite different from the traditional ones. He offered the support of his ministry and suggested sincere and profound talks between the administration and Chamber officials in order not to duplicate work but to complement each other in searching for a substantial increase in bilateral business through a better mutual knowledge of Spain and the U.S.

Mr. Solchaga asserted that the U.S., and New York in particular are the ideal places to be able to reach many companies, as well as individuals, through a private non-profit organization like the Chamber rather than through official means. □

Garrigues Walker Addresses Spanish Institute and "Juniors"

During the week of March 21st to 27th, Antonio Garrigues Walker was in New York to attend a series of meetings with Spanish and American lawyers and executives.

Mr. Garrigues, a well-known attorney, is a partner and director of the prestigious law firm of J. & A. Garrigues, an honorary member of the American Bar Association, a member of the Trilateral Commission, vice president of Liberal International, and a board member of a number of companies including IBM España and Ford España.

On March 22nd, a luncheon in honor of Mr. Garrigues was held at The Spanish Institute, where he addressed a large gathering of businessmen. Two days later he was the guest at one of the regular breakfast meetings of the "juniors" of the Chamber, held at the law offices of Baker & McKenzie and hosted by José W. Fernández, an attorney with that firm and also a member of the Chamber's board of directors.

At both of these interesting and thought-provoking events, Mr. Garrigues shared his points of view and answered questions. We are publishing below a brief summary of his message.

The reduction of the American military presence in Spain, and more specifically the removal of the F16 airplanes from the base in Torrejón, have created certain tensions and difficulties in the relations between our two countries. In Spain as well as in the United States some sectors have reacted by tending to exaggerate the importance of this particular incident. This does not appear to me to be a valid attitude or a realistic attitude and I am certain that in a short period of time the prevailing overall idea will be that it is ridiculous that such an incident should negatively affect our political and economic relations. I believe this incident should serve a purpose completely contrary to the one aforementioned.

It should serve, specifically, to enable the United States to view from a different perspective the new reality and the new Spanish structure and the backing that the U.S. could receive from our country in certain areas of foreign politics and, in a smaller measure, in economic politics; it should also serve to make Spain more conscious that its presence in the United States is excessively and unjustifiably scarce. This is the direction in the dialogue between us that we must make possible. Anything else would be playing with fire.

The United States has to accept that Spain—within its real capabilities—has been, during the dictatorship as well as during the democracy, one of its most loyal allies in the world—more comfortable and less costly than most. The problem of the F16's, which were operated from a base situated practically in the city of Madrid, will be resolved without critical difficulties and in addition with the facility of other European countries. Nevertheless, the American military presence in Spain will continue to be very significant and will also grow indirectly due to the Spanish integration in NATO, even when the socialist government persists in avoiding an incorporation to the military structure of this organism. In any case, no one can doubt in this country that Spain is already linked, with a permanent character, to the occidental defense system.

There are also other very important and more significant issues to discuss, and one of them refers to the collaboration between both our countries in the area of the Latin American countries. The United States, in relation to these countries, has already given sufficient proof if not of basic incompetence of the lack of capacity to understand the minimal realities of a world with philosophical and economical cultural components different from those of the Anglo-Saxon world. The tactic of resolving the Latin American crises as they arise without anticipating or emphasizing them, the simplification of the political problems by classifying the countries as authoritarians or totalitarians, and the confrontation of economic problems by reducing them to the issue of the external debt, can no longer continue to be the only codes of a politically coherent foreign policy. The problem is in helping these countries to recover the meaning of the future and to clearly favor, without vacillations or ambiguities of any kind, democratic stability and social and cultural development. At the present time Spain has, without a doubt, a moral authority and a positive capacity to influence in this area

ANTONIO GARRIGUES WALKER

Antonio Garrigues Walker at the breakfast of the Chamber's "Juniors Club."

that the United States could and should use. Spain can transmit to Latin America—without domineering and without generating resentment—the idea that the future democracy will function, the idea that democracy does not consist in that we all agree but in knowing how to live with disagreement. A deeper and more profound relation between Spanish and American political forces, and between promoters of both countries, appears to me to be one of most indispensable conditions to the conception of a stable and constructive Latin America.

The Spanish economic situation has improved substantially and everything seems to indicate that this positive tendency can be maintained without difficulty for a short period as well as in the long term. Spain is already a European country with the capacity to compete at any level, and it offers to the foreign economy a potential growth very superior to that of our communist colleagues. I share, without any reservations, the recent affirmation of our Minister of Economy that Spain is now one of the best countries in the world to earn money and I am sincerely happy about the initiative from the CEOE in creating a special committee to improve the economic relations between our two countries.

In light of all that I have said it still produces a certain sadness and disenchantment to realize that the Spanish presence and influence in America lacks quality and intensity. We have better products, we offer better services, and we are prepared to make an effort, more than other countries, to penetrate the economic and cultural American market. Nevertheless, our image as a country, our business image, our political image including cultural, is still inferior both in absolute terms and in comparison to the other European countries. In spite of the American monetary politics, in spite of the new and dangerous phenomenon of economic nationalism that is surfacing in this country and begins to show tendencies similar to religious fundamentalism, Spain has the right to be a first class political and economic factor. To advance this goal is the genuine responsibility of all Spaniards.

El "Juniors Club" de la Cámara

La dirección de esta Cámara de Comercio se ha mostrado siempre preocupada no solo por generar un papel más activo y notorio en las relaciones España-EE.UU., sino por integrar en esta dinámica a los jovenes ejecutivos de nuestras compañías asociadas, chicas y chicos altamente preparados y que están iniciando sus respectivas carreras profesionales en distintas compañías y entidades financieras del área metropolitana de Nueva York.

Con objetivo de acercar esa gente joven a la Cámara, propiciar un mayor contacto entre ellos y darles accesibilidad a altos ejecutivos y cargos públicos, desde la dirección de esta Cámara se han potenciado una serie de desayunos entre nuestros "juniors" y distintas personalidades.

Gracias a la gentileza de alguno de nuestros asociados y a la buena predisposición a madrugar tanto de invitados como de oyentes, los desayunos se desarrollan de 8 a 9 de la mañana y es ya habitual que los jovenes lleguen media hora antes para departir entre ellos y con el invitado. Todo ello en un ambiente muy animado y con caracter de "off the record".

La experiencia, muy satisfactoria hasta la fecha, creemos que brinda una gran oportunidad a los jovenes al poder tener un contacto directo e informal con nuestros líderes y que, al mismo tiempo, permite a estos conocer la opinión y preocupaciones de una joven generación, que constituye la nueva savia de nuestra sociedad aportando nuevas energias e ideas, que tomarán un rol relevante en un próximo futuro.

Todos los jovenes son bienvenidos aunque la escasez de espacio nos ha obligado a veces a limitar la asistencia. No duden en llamar a la Cámara para mayor información y a la vez poder ser incluido en el "mailing list".

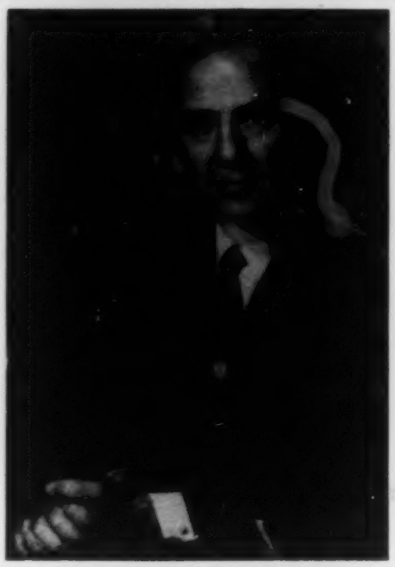
!Anímate, te esperamos!

El Consul General de España en Nueva York, Ambassador Manuel Sassot, hable con los "Juniors" de la Cámara durante un recién desayuno.

POLITICAL

NYU President Addresses Barcelona Forum

Brademas speaks on the role of the U.S. Congress in determining U.S. foreign policy.



“The President of the United States to be elected in November should be someone committed to working cooperatively with Congress in the shaping and conduct of America foreign policy,” president John Brademas of New York University told Barcelona political and university leaders at a March forum sponsored by Mayor Pasqual Maragall of Barcelona.

Dr. Brademas, who has been president of NYU, the nation’s largest private university, since 1981, was a member of Congress for 22 years (1959-1981) and is the author of a major study on the role of the anarchist movement in Catalonia during the Spanish Civil War.

Speaking in Spanish, Dr. Brademas reviewed recent differences between the Reagan Administration and the U.S. Congress in foreign policy and asserted two conclusions: “First,” he said, “the involvement of Congress in such decisions often produces better policies than the executive can produce on its own. And second, appropriate congressional involvement can prevent calamitous policies.”

In his remarks, Dr. Brademas recalled his first visit to Barcelona 37 years ago while a student at Oxford University, as well as his interviews in France with Spanish anarchists in exile from their home country during the Franco regime. (Dr. Brademas’ study of the anarchist movement was published in 1974 by Ariel in Barcelona under the title, *Anarcosindicalismo y revolución en España, 1930-1937*).

The NYU president also spoke of the 1983 visit of their Majesties King Juan Carlos I and Queen Sofia of Spain to NYU, where the King received the first honorary degree bestowed upon him by a U.S. university.

Dr. Brademas described the “deep commitment of New York University to studies of the Spanish speaking world” and noted that NYU had created a professional chair in Spanish Culture and Civilization in honor of King Juan Carlos I.

Among others invited to attend the lecture and a dinner given by Mayor Maragall were Dr. Josep Tarradellas, former president of the Generalitat of Catalonia; Juan Reventós Carner, former Spanish Ambassador to France and chairman of the Foreign Relations Committee of the Spanish Senate; and Ambassador Manuel de Prado y Colón de Carvajal. □

Courtesy of the Press Office,
New York University

Iberia Begins Non-Stop Service Madrid-Los Angeles

Iberia Airlines, the national airline of Spain, began operating non-stop service between Los Angeles and Madrid with Boeing 747 aircraft on April 1st. Previously the flights operated via Chicago.

“With this schedule change, Iberia now offers the only scheduled non-stop service to Spain from Los Angeles,” says Patricio F. Maillard, General Manager, Western Region, for Iberia Airlines. “We have been delighted with the success of our Los Angeles service since its inauguration in the spring of 1987.”

Mr. Maillard also announced the addition of a third B-747 flight from Los Angeles to Spain, to begin the week of June 19, 1988. Currently, the airline flies from Los Angeles International Airport on Fridays and Sundays; on June 19 the carrier will also operate on Wednesdays.

Iberia’s service to Spain from its four U.S. gateway cities—New York, Miami, Chicago and Los Angeles—features free wine and beer with meals and free headsets; excellent connections to every major city in Europe and to the carrier’s extensive domestic route network in Spain, and a number of other unique benefits for travelers to Europe. For information and reservations, the toll-free number is 1-800-SPAIN-IB.

Iberia Airlines, founded in 1927, is the third-largest airline in Europe. It serves 82 airports in 46 countries throughout Europe, the United States, the Middle East, Africa, Asia and Latin America.

In 1987, Iberia carried 14.1 million passengers worldwide, up from 13.6 in 1986. Its U.S. gateways are New York (John F. Kennedy International Airport), Chicago (O’Hare International Airport), Miami (Miami International Airport) and Los Angeles (Los Angeles International Airport). □

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LEGAL

New Regulation on License Agreements, Technical Assistance

December decree simplifies procedures on approval of agreements, in line with EEC practice.

By Federico Fruhbeck Olmedo

Royal Decree 1750 of 18th December 1987 ("the Decree") establishes a new regulation in relation to license agreements and technical assistance more in line with current EEC rules and directives. The Decree repeals the previous legislation which was extremely restrictive and which required a long and complex administrative procedure for the approval and validity of agreements. The legislation dating back to 1973 had proved a considerable hindrance in relation to the transfer of technology into Spain.

The desire to bring an end to these restrictive practices together with the need for Spain to fulfill its new role as a full EEC member were largely responsible for the passing of the Decree.

1. Definitions

The Decree applies to the following transactions:

a) License Agreements

Transactions whereby a non-resident assigns in favour of a resident the ownership or right of exploitation or use of any of the following:

(i) Patents;
(ii) Utility models;
(iii) Know-how;
(iv) Computer software;
(v) Trademarks, registered designs, models, industrial drawings and designs;
(vi) Franchise agreements.

b) Technical Assistance

Transactions whereby a non-resident renders in favour of a resident any of the following services:

(i) Engineering or collaborative services in connection with technical projects;
(ii) Access to data bases or documentation services and technical or financial information services;
(iii) Any other technical assistance directly related to the activity of the Spanish person, firm or company resulting in payment in excess of 10 million ptas. per annum.

c) International Research and Development Activities

Transactions whereby a resident is required to make a payment to a non-resident person in respect of participation in research and development activities carried out by:

(i) International partnerships or consortia of groups of companies of which the resident company is a member;
(ii) Foreign companies or entities of which the resident company is a subsidiary.

The Decree will not apply to the following services and/or transactions:

(i) The assembly, supervision, start-up, maintenance or repair of machinery, transport systems, industrial plants and other equipment;
(ii) The training of staff of Spanish firms or companies;
(iii) Sub-licenses and sub-franchises pursuant to which a licensee/franchisee resident in Spain partly transfers to another Spanish resident the rights arising from a transaction subject to the Decree.

The new definitions of license agreement and technical assistance must be regarded as exhaustive. The former definitions in the previous legislation were extremely wide and included many transactions which in reality had little to do with license agreements or technical assistance. The repealed legislation also applied in the case of the assembly, maintenance and repair of machinery which meant particular difficulties for this type of transaction, although the administrative practice which had developed in relation to this type of transaction had proved considerably more practical.

For the purposes of the Decree, the definition of resident and non-resident is to be determined by reference to existing exchange control legislation. Branches of foreign firms or companies will be treated as resident in Spain.

II. Administrative Procedure

The Decree provides that all transactions falling within its provisions may be effected freely and without restrictions but will nevertheless require to be previously approved (or "administratively verified") in accordance with the new procedure.

Application must be made to the Dirección General de Transacciones Exteriores ("the DGTE")—the Department of Foreign Transactions of the Ministry of Economics and Finance—by the Spanish company in receipt of the license or technical assistance. In the case of computer software, application can also be made by the company making the distribution in Spain.

The DGTE will request the Dirección General de Innovación Industrial y Tecnología ("the DGIIT")—the Department of Industrial Innovation and Technology of the Ministry of Industry—to prepare a report within a time limit of ten working days. A report must also be submitted to the Dirección General de Defensa de la Competencia (the Department for the Protection of Competition—broadly the Spanish equivalent of the Office of Fair Trading) if the DGTE or DGIIT considers that there is likely to be any infringment of Spanish or EEC competition legislation.

The DGTE is only entitled to reject the application where the agreed payment to be made clearly exceeds the true value of the license or the techni-

FEDERICO FRUHBECK OLMEDO is an attorney with the Madrid firm, Dr. Fruhbeck, lawyers and economicsts.

FEDERICO FRUHBECK

cal assistance. If the DGIIT so determines, it will inform the DGTE accordingly in its report, in which case, the application will be rejected.

The application must be resolved by the DGTE within a period of 30 working days from the date of submission of the application. If it does not do so, the transaction will be deemed to have been approved. Thus, silence on the part of the authorities will imply consent. The DGTE is entitled, however, to call for further documentation and/or information within the said period of 30 days, in which case, the period of 30 days will start running again from the date of receipt of such further documentation/information. The refusal of any application must set out the reasons for the refusal and must be preceded by a meeting with the applicant.

Once the transaction has been approved, it will automaticaly be inscribed in the Registry of Contracts of Transfer of Technology which will, in future, only serve a statistical purpose. In the past, inscription was required for the purposes of enabling payment to be made abroad of sums arising under a registered contract.

The approval will be valid for a period of 5 years, after which time it will be necessary to renew the application. The DGTE must also be advised of any modification of the conditions of the transaction by invoking the same administrative procedure.

When a license is granted in consideration for the issue to the licensor of shares in the capital of the licensee company, a further contemporaneous application must also be made for authorization of the foreign investment. Both applications will be treated simultaneously.

The new "verification" procedure differs fundamentally from the former authorization procedure established under the repealed legislation. It is a short and comparatively easy procedure which should, in principle, not take longer than 30 working days. The former procedure was an extremely complex one and usually took between 3 and 6 months.

III. Payments

Payments arising under any transaction which has been approved may be effected freely through any bank situated in Spain within a period of 6 months from the date on which payment is due.

IV. Transitional Provisions

The Decree came into force 20 days after the date of its publication, namely on 2nd of February 1988. Applications submitted prior to 2nd February 1988 will be subject to the former procedure, unless the applicants withdraw the application and present a new one. This will probably happen in the majority of cases, as the present procedure is considerably quicker and more efficient than the previous one. ☐

This Article is a brief introduction to the above regulation and does not purport to be legal advice. Neither the individual authors nor their respective firms accept liability for any loss or damage arising from reliance on it.

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Promoción de Inversiones Directas

Un buen plan de promoción recoge investigáción, publicidad, seminarios, y establecimiento de un centro de promoción

Por Josep Bertran

Los gobiernos de la mayoría de países comprenden la importancia de las inversiones directas para contribuir a elevar la tasa de crecimiento de sus economías ya sea por aumentar el número de puestos de trabajo, crear nuevas tecnologías o equilibrar la balanza de pagos.

Una manifestación de este reconocimiento es el gran número de leyes especialmente promulgadas para alentar tanto las inversiones en el interior del país como las de países extranjeros.

A pesar del recelo ante la dominación extranjera y otras reservas de tipo politico e ideológico, los dirigentes se muestran ansiosos por atraer aquellas inversiones que juzgan de interés estratégico para alcanzar sus objetivos incluyendo aquéllos derivados de mejorar su propia imagen social.

UN PLAN DE PROMOCION

Un buen plan de promoción recoge cuatro apartados que discutiremos seguidamente.

1. Research & Development/ Investigación

PAIS X: país inversor.

PAIS Y: país que recibe la inversión.

Este primer estadio de la promoción pretende trazar las líneas generales que deberán seguirse en la campaña de publicidad y relaciones públicas posteriores. Hay que delimitar en primer lugar cuáles son las características que más motivan al inversor del país X cuando se plantea una inversión en el país Y.

La información resultante de este estudio suele ser genérica pues descubre quien toma las decisiones dentro de las empresas: un departamento de investigación, un alto ejecutivo o el propietario de la empresa; cómo se incentiva a dichos individuos: incentivos personales, buena información, deducciones impositivas u otras concesiones gubernamentales.

Dado que esta información, como se ha indicado, es muy general y aplicable a muchos países, hay que ampliar la investigación al estudio de la imagen de los productos del país Y en el país X.

Puede resultar que el país Y exporte pocos productos al país inversor. Por ello, los estudios deberán extrapolar sus conclusiones a partir de la proyección psicológica que puede hacer el ciudadano entrevistado en base a un producto del país X en el supuesto caso de que fuera dei país Y.

Para la realización de los dos estudios, el de " comportamiento" y el de "imagen", se contratan agencias de estudios de mercado quienes mediante técnicas de prospección (individual, telefónica y de grupos) posicionan el país Y y su imagen en el contexto real del país X.

El coste de este primer apartado de promoción es variable en función del número de individuos entrevistados y de la cantidad de información analizada.

El tiempo empleado suele oscilar alrededor de tres meses. A los cuarenta días de su inicio se obtienen ya ideas firmes de cuáles deben de ser las directrices de la campaña publicitaria.

2. Publicity/Publicidad

En una campaña de promoción de inversiones hay que distinguir claramente entre publicidad pagada directamente "advertising", Y publicidad pagada indirectamente "public relations".

En general los inversores consideran inestables a las naciones menos desarrolladas y por ello las campaña de publicidad deben centrar sus esfuerzos en crear una imagen estable ante los potenciales inversores.

La publicidad específica de inversiones debe ir asociada a la imagen global de un país o bien a la imagen global de un sector industrial.

2.1 Advertising/ Anuncios Sectoriales

Este tipo de anuncio de una página por lo general debe recoger imágenes de empresas del país X con inversiones realizadas en el país Y. Con esta definición genérica del anuncio, los creativos de la agencia de "advertising" diseñarán una amplia gama de spots publicitarios.

2.2 Advertising/Suplementos especiales/Imagen especial

La estabilidad económica de un país es el termómetro que permite al potencial inversor medir objetivamente las posibilidades de recuperar la inversión en el caso de considerarlo oportuno. Los suplementos especiales de varias páginas pretenden dar una visión general de la estabilidad económica del país.

Hasta aquí en el apartado 2 solamente se ha hablado de advertising.

En la promoción de inversiones el programa de marketing debe resultar más semejante a la promoción de un producto industrial que a la de un producto de consumo. Se hara pues especial hincapié en la campañia de relaciones públicas.

3. Seminarios/Public Relations

Una serie de seminarios deben de ser presentados en varias ciudades del país desarrollando en ellos las oportunidades que ofrece el país Y a los inversores del país X. Es importante conseguir que los "speakers" sean po-

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JOSEP BERTRAN es Director del Departamento de Promoción e Inversiones de la Oficina Comercial de España en Nueva York.

liticos o funcionarios con gran poder de convocatoria con el fin de garantizar una buena aceptación en los medios financieros y periodísticos.

Se responsabilizan de que la prensa esté presente y el local sea ordenado, el horario y las fecha óptimos. Para realizar correctamente está actividad deberán contratarse los servicios de una empresa de relaciones públicas. La agencia se responsabiliza del seguimiento posterior de los asistentes y muy especialmente de la prensa con el fin de obtener los resultados a posteriori esperados.

4. Establecimiento de Centro de Promoción

La repetición periódica de los puntos 1, 2, 3 permite obtener resultados, es decir, incentivar a inversores X para que se establezcan en el país Y. Por este motivo resulta recomendable que dichas campañas cuya duración puede ser de 4 a 6 meses, no sean actividades aisladas, sino actividades que se repitan constantemente con intervalos entre ellas lo más cortos posibles.

INVERSIONES ESPAÑOLAS EN EL EXTRANJERO

En el caso de España y de otros países más desarrollados se plantea actualmente la necesidad de activar la inversión española en el extranjero.

Bien entendidos los puntos expuestos hasta aquí en este apartado, promocionar inversiones españolas en el extranjero se puede plantear de la siguiente forma.

España está interesada en incentivar a aquellos gobiernos o agencias de promoción de inversiones que estén haciendo campañas como las expuestas en este artículo para que las hagan en España. □

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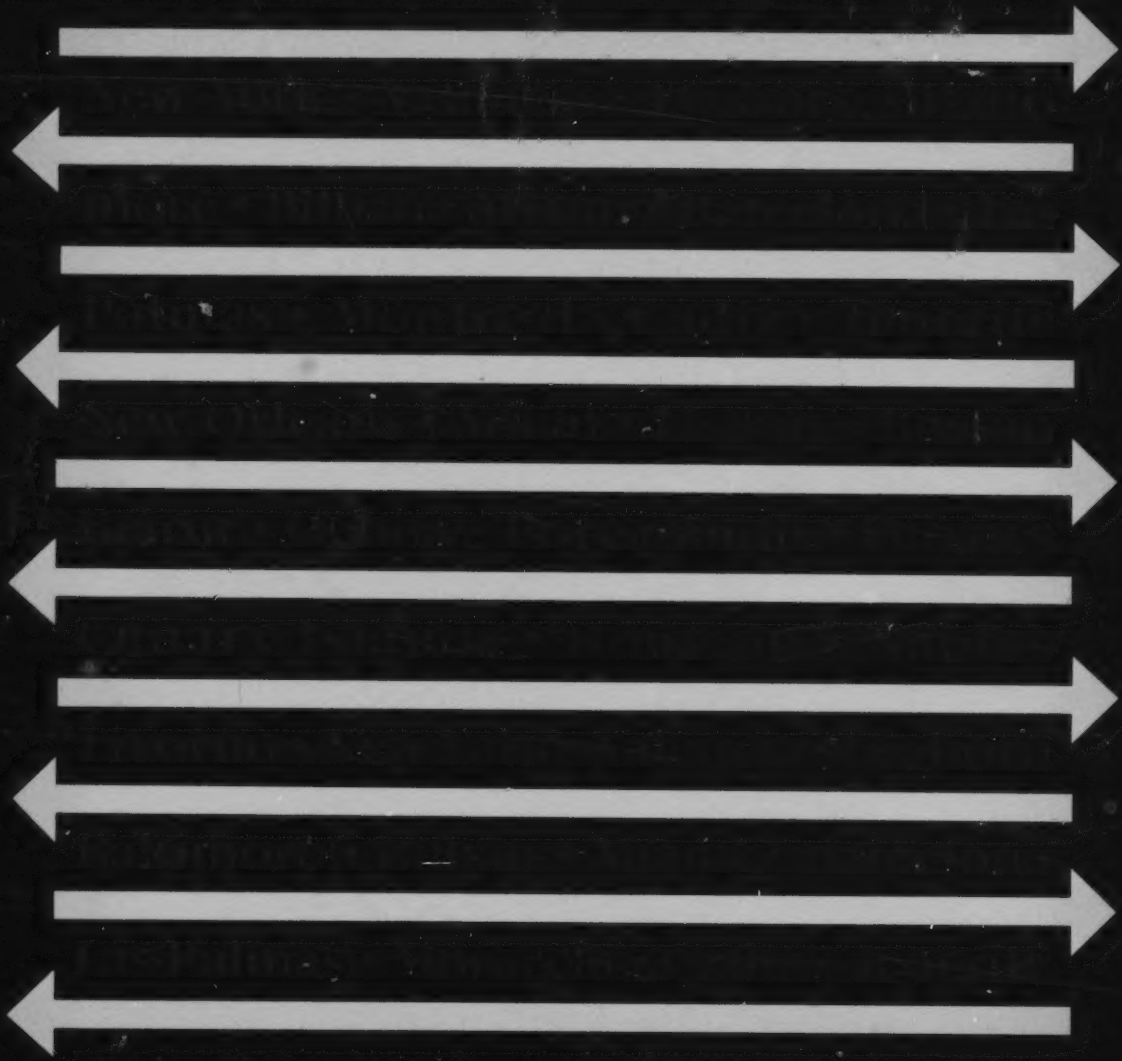

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CELEBRATES ITS 29TH ANNIVERSARY
and salutes

◆ THE CANARY ISLANDS ◆

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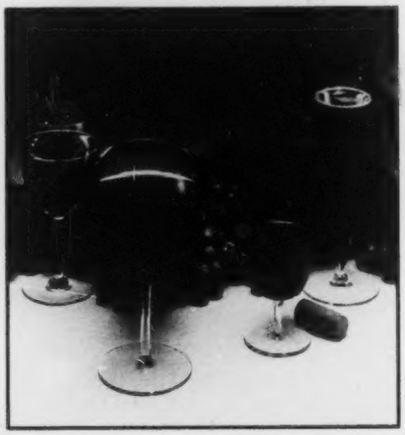

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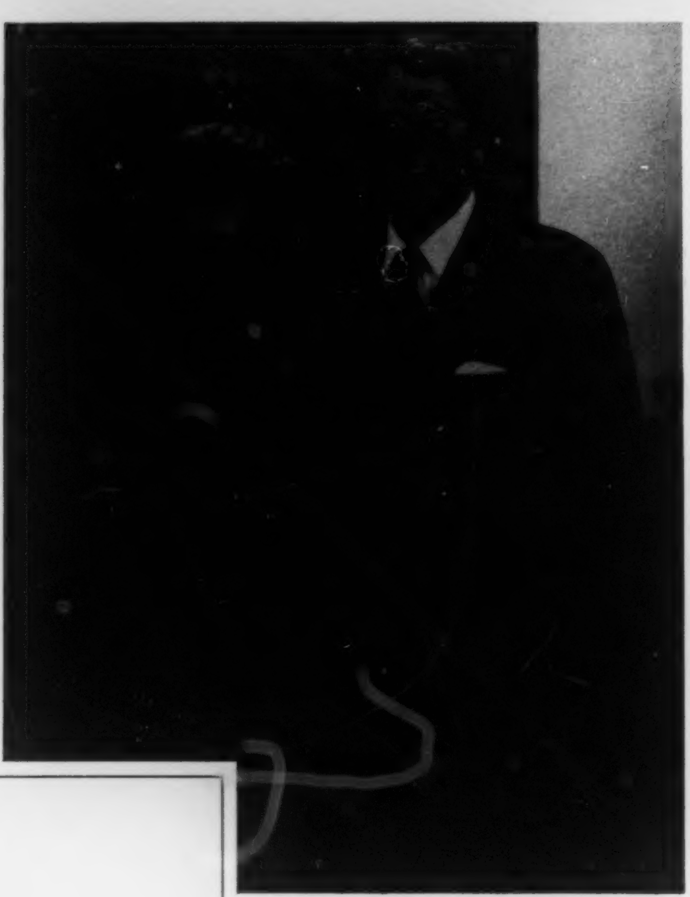
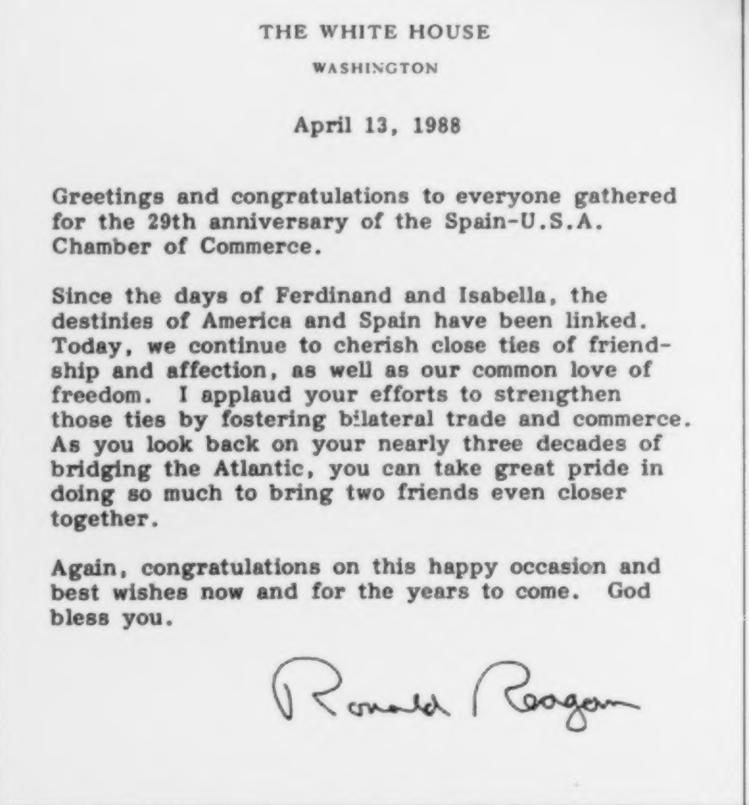
A Message from the President of the United States





THE WHITE HOUSE

WASHINGTON

April 13, 1988

Greetings and congratulations to everyone gathered for the 29th anniversary of the Spain-U.S.A. Chamber of Commerce.

Since the days of Ferdinand and Isabella, the destinies of America and Spain have been linked. Today, we continue to cherish close ties of friendship and affection, as well as our common love of freedom. I applaud your efforts to strengthen those ties by fostering bilateral trade and commerce. As you look back on your nearly three decades of bridging the Atlantic, you can take great pride in doing so much to bring two friends even closer together.

Again, congratulations on this happy occasion and best wishes now and for the years to come. God bless you.

Ronald Reagan

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May 6, 1988

Mr. Luis Benitez de Lugo
President
Spain-U.S. Chamber of Commerce
350 Fifth Avenue
New York, N.Y. 10118

Dear Mr. Benitez de Lugo:

On behalf of the City of New York, I am pleased to extend greetings to the members and friends of The Spain-U.S.A. Chamber of Commerce as you gather for your Annual Dinner Dance.

The friendship between our two nations continues to flourish amid the common ties of democracy, and this city has served as a key line of communication across the Atlantic in helping this process grow. Our special position owes much to the energy, enthusiasm and commitment that all of you in The Spain-U.S.A. Chamber of Commerce have brought to your founding task since 1959. Now, your superb organization can see nearly three decades of sowing the seeds of understanding, and facilitating the climate for cordial and productive business relationships, paying off handsomely for both Americans and Spaniards.

I wish you all an enjoyable evening, and a year of increased harmony and unparalleled success to come.

Sincerely,

Edward I. Koch
Mayor

Distinguished Guests

H. E. JULIAN SANTAMARIA
Ambassador of Spain to the United States

H. E. LORENZO OLARTE CULLEN
Vice President of the Government of the Canary Islands

THE HONORABLE JAVIER COLLAR
Acting Consul General of Spain in New York

MR. BLAS ROSALES
Counselor of Tourism and Transportation
Government of the Canary Islands

THE HONORABLE JOAQUIN DE LA INFIESTA
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We Celebrate a Bridge Between Spain and America

Almost a year ago I was elected President of this Chamber that today welcomes you, eager to celebrate our traditional dinner-dance.

During all this time these men and women—the members, executives and associates who are an integral part of the Chamber—have made a great effort to consolidate the ties between our two countries, the United States and Spain, to develop and encourage the private sector, and to create new links among many companies on both sides of the Atlantic Ocean.

And it is precisely this Atlantic vocation that we celebrate—this trade, today's accomplishment, as a historical compromise—with the Canary Islands magnificently represented by the members of the government of its Antonomous Region accompanied by prominent and distinguished businessmen. The Canaries have always been a bridge between Spain and America, populating it for centuries by generously sending their children, culture, and historic legacy.

The principles that guided each of these missions were the ones that we have mentioned. Therefore, it is only fair to pay homage to the Archipelago that made possible the wonder miracle of the Discovery of America: the last harbor from which Cristóbal Colón departed and the first one to welcome him on his way to the West Indies.

It is opportune to remember that Spain and its Regions, facing the Quincentennial Anniversary of the Epic of 1492, well deserve the tribute of those gathered here today with a special sense that transcends time, distance and futile interests of the moment, of those with faith in the common destiny of people and country joining each other in the unique effort to reunite business, enterprise, work and the ideas that made it all possible.

It is homage that this Chamber pledges to offer every year to each Region of Spain that so nobly and greatly contributed to these deeds and achievements without parallel. Starting with Tenerife and Gran Canaria, here with us today, reaching in friendship and honoring us with their presence.

LUIS BENITEZ DE LUGO, President

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CELEBRATING THE CANARY ISLANDS

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Ambassador of Spain to the United States

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Greetings from Paradise!

Dear Friends

The Canary Islands for thousands of years have presented the traditional image of paradise, as is proven year after year by the millions of tourists who arrive here. The steady increase in tourism has led to the strengthening of our resorts infrastructure, which in turn has led to further increases, which we have been able to absorb comfortably. Modern and dynamic, the Canaries embrace the future with its constant social and economic changes, changes which affect the entire world.

Because of our strategic location in the Atlantic, we are the central point between continents. Our people, who have seen centuries of cultural contrasts, have become cosmopolitan and flexible enough to take the great steps necessary towards modernizing our society and structures. We have adjusted rapidly to being part of the European Community. And at the same time, our closeness to the African continent and our identification with its future has been instrumental in the last few years in the opening of new doors. There is no doubt that we will be able to consolidate this opportunity.

The time has come to establish the bases for forging new economic relationships, especially with the United States—relationships which in time can be solid and beneficial for the Canary Islands and for every country which takes advantage of what we have to offer.

I sincerely hope that you will enjoy the Spain-U.S.A. Chamber's Gala evening and that we will be able to greet you soon in the Canaries.

FERNANDO FERNANDEZ MARTIN
President of the Government
of the Canary Islands Region

Sustaining Members of the Chamber

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WINE COUNTRY Magazine,
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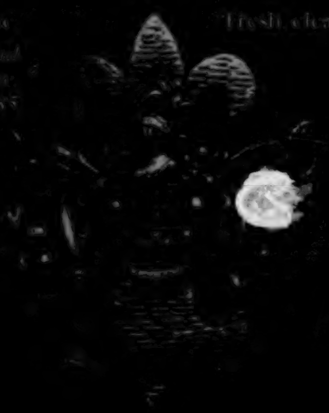

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Wine Editor, BON APPETIT,
June, 1985

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THE WINE SPECTATOR,
November, 1986

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Jerry Mead
National Syndicated Columnist,
June, 1987

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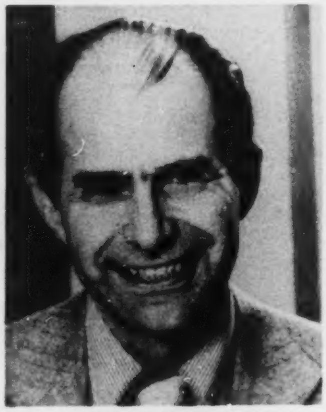

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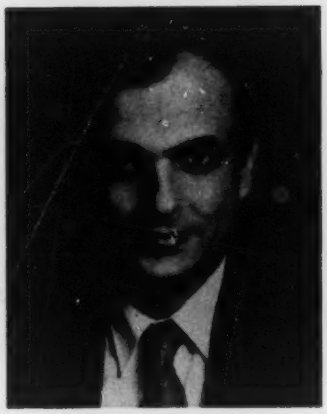

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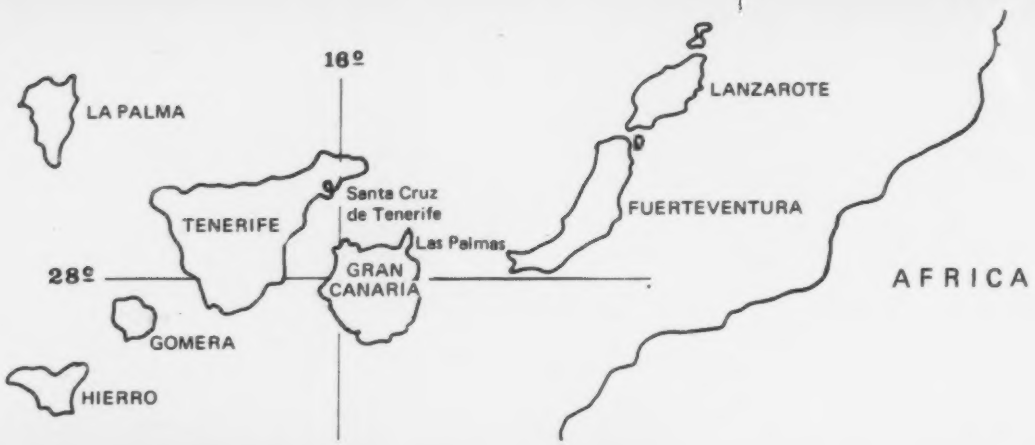

"The Fortunate Islands"

The Canaries were so named in ancient times, and their magnificent climate, scenery and people make them equally fortunate today.

Some of the famous "Dragon Trees" of the Canaries are as much as 3,000 years old.

Introduction

The Rose of the Winds caresses the course of the sea out of Africa at no more than one hundred miles from the edges of the desert, in an area where the Ocean, pulled by the legendary continent of Atlantis, gave birth to a group of Islands called by Homer "The Garden of the Hesperides." Under the sun, as far as memory can recall, a marvelous platform emerged to be the link with the West Indies. "The Fortunate Islands," they were called by the scholarsi, Las Islas Canarias by the conquerors.

And today as we arrive, making a gentle tack on the deep blue crystal waters, the scent of a flourishing culture, a blossoming community with a forceful economy, reaches us instantly at the sight of its harbours.

Santa Cruz, Las Palmas, names that today are in every merchant's log-book, offer to the world a variety of opportunities in the crossroads of the continents. They serve as a bridge and as a shelter. The Government is already thinking of creating a special statute that will give new power to the Free Ports. It will be a form of government established by laws and customs that, if accomplished, will launch the Region to the global projection that it deserves, enabling it to compete with other zones, other belts also drafted to attract wealth and richness—a charter that will benefit labour and culture in the international community. We praise such an initiative.

As you will read in the following sections, the wide range of investing possibilities in the Canaries are limitless. And if sometime in the future you decide to join and become one of the five million visitors a year, your reward either way will be granted. Simply because once in the Southern Rim by the lighthouse, the old man said "on a day without sunshine everything should be for free". This "freedom" must be shared by all. . . □

CELEBRATING THE CANARY ISLANDS

The seven Canary Islands, covering over 3,000 square miles, are Grand Canary, Fuenteventura, and Lanzarote, which belong to the province of Las Palmas, and Tenerife, La Palma, Gomera, and Hierro which form the province of Santa Cruz de Tenerife.

According to geological studies, the formation of the islands evolved from a series of eruptions with the separation of South America and Africa thirty million years ago. Today, with the exception of the Eastern and smaller islands, which are on the same platform, the others emerge from the sea floor with a depth of more than 6600 feet in some areas just off the coast.

The Canary Islands are situated in the Atlantic Ocean, very close to the desert region of Africa, and a little more than four degrees from the Tropic of Cancer. Permanent trade winds and the constant current of the Gulf assure comfortable temperatures throughout the year. Also, the current of the Gulf maintains the warm water temperature along the coast, which is almost always above the air temperature registered on dry land.

All of the Canary Islands, although similiar in origin, are distinctive and unique. On each island there are many variations: great mountain peaks and ranges, deep valleys, sandy deserts, sharp cliffs, perfectly created craters, and beautiful forests. It is the unusual and mysterious geography of these islands that make them an interesting and delightful place to visit at any time of the year.

The history of the Canary Islands dates back to Greek and Roman times when tales were told of the islands and their inhabitants. At the time of the first recorded expedition, the islands were known as Fortunate Islands; King Juba II of Mauretania sent a fleet of seafarers to explore the islands around the beginning of the Christian era.

During the late 13th and early 14th centuries several Genoese expeditions and explorers from Mallorca and Aragón, including an expedition sent by King Alfonso of Aragón in 1330, sailed to the archipelago looking for slaves, without any goals of conquest or settlement.

In 1402 Jean de Bethencourt sailed from La Rochelle with his nephew Maciot and Godifer de la Salle. They discovered primitive stone age people who were later given the name *Guanches*. During their expedition, they conquered the islands of Lanzarote, Fuerteventura, and El Hierro and acknowledged the King of Castille as the ruler. They also disembarked on the island of Gomera but did not truly conquer it.

The 'Casa de Colón' in Las Palmas de Gran Canaria, now a museum, was the governor's house in which Columbus stayed on the eve of his discovery voyage.

In the mid 15th century, Hernán Peraza became the ruler of Lanzarote, Fuerteventura, and El Hierro, and conquered Gomera. Gran Canaria, Tenerife and La Palma had been sought for almost a century and Queen Isabel of Castille, being wary of Portugal, paid Hernán Peraza a great sum of money while giving him the title of Count of Gomera in exchange for the conquest of the other three islands.

El Teide, Spain's highest mountain, from the National Park of Las Cañadas (Tenerife).

Recognizing the difficulty of this task, Queen Isabel sent Juan de Rejón on an expedition to conquer Gran Canaria. However, he was murdered by the servants of Peraza's grandson and the deed was never carried out.

Queen Isabel then commissioned Hernán Peraza to lead a force of inhabitants from Gomera to complete the conquest of Gran Canaria as part of his penance for Juan de Rejón's death. There he met Alonso de Lugo, a local commander, who finally conquered Tenerife and La Palma.

A few years later, Christopher Columbus sailed to the Canary Islands, which brought a new era of settlers, traders, and pirates. From that time, on, the Canaries became a place of thriving commercialism.

In the next two centuries the Canary Islands became a full province of Spain with the capital at Santa Cruz of Tenerife. In 1852 a law was passed making all of the islands Free Ports, a law which is still in effect today.

The Cuisine of the Canaries

The cuisine of the Canaries offers many dishes based on the fish so abundant along the coasts, which are usually served with the famous wrinkled potatoes and a special sauce called *Mojo Picon*. The traditional dishes are a watercress soup and the popular *Sancocho Canario*, based on a fish salad with hot sauce as well as rabbit a la *salmorejo*, sweet black pudding, etc. The banana and the tomato, principal wealth of the islands, play an important part in the Canaries cuisine; the avocado and the papaya, as well as corn meal, wheat flour, corn or barley, previously roasted, are eaten instead of bread with certain local dishes. In pastry are found the excellent *morcillas dulces*, *tirijalas*, *bienmesabes*, *frangollo*, *bizcochos lustrados*, meat pies, and nougats of corn meal and molasses.

Typical of the island of Hierro are the *quesadillas*, as well as the *rapaduras y marquesotes* of La Palma. Drinks produced in the islands are rum, honey-rum and malmsey wine as well as red wine from Tacoronte.

Magnificent complements to the Canaries cuisine are the excellent tobaccos, world famous for their quality and variety, outstanding among them being the cigars which are exported to the most diverse countries. ☐

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Hello?

Is this the man with the secret tattoo?

Now that you know about it, it's not a secret anymore, is it?

Your tattoo is safe with me. Were you able to get a taxi ?

I walked home.

And how was Paris while all the sensible folk were still in bed?

It was grey and drizzling and bloody marvelous. I kept making up poems with your name in them. Also a love song that, for rhyming reasons, ended up being all about your right elbow. I don't think my feet touched the ground once all the way home.

I meant to tell you. I love the way you smell. Most men's colognes make them smell like they take themselves too seriously.

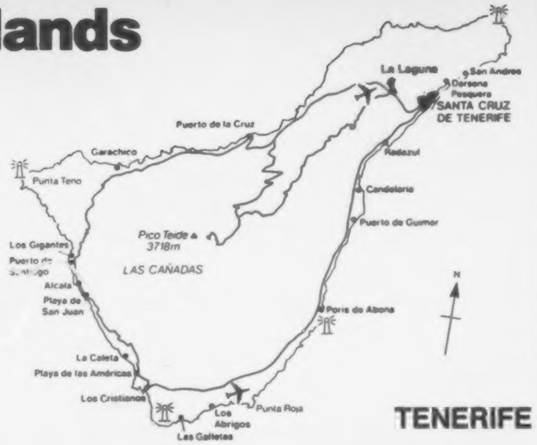
I thank you. My Paco Rabanne cologne thanks you. My mother thanks you.

Your mother would never approve of what you and your Paco Rabanne do to me, so let's leave her out of this. Am I going to see your tattoo again tonight?

That's up to you, isn't it?

Paco Rabanne
For men
What is remembered is up to you

A Tour of the Canary Islands



TENERIFE

Largest and most populous of the Canaries

The island of Tenerife, approximately 821.2 square miles in area, is the largest of the seven islands. This island is especially noted for its **Parque Nacional de las Cañadas** with its "trees of stone," **El Pico del Teide**, Spain's highest mountain, the subtropical valley of **La Orotava**, the pine woods of **Las Cumbres** and the reservations of **Laurisilva de Anaga.** Of course, Tenerife is also well known for its many other interesting tourist attractions including its capital, **Santa Cruz.** This city was originally the ancient capital and headquarters of the "Adelantados" ("modern people", of the Canaries, who lived in the Valley of Aguere. It is also the capital city of religious history and the site of one of the major Canary Island universities.

Santa Cruz is famous for its 17th- and 18th-century buildings, palaces, mansions, and religious structures such as the Santo Domingo Cathedral, the Church of the Conception, the Holy Sacrament of La Laguna and the Church of San Miguel. In addition, this city offers many museums, including the House of Osuna, as well as extensive libraries and other artistic manifestations that will delight students of all ages.

A custom of the Canaries is to carpet the town's main plaza with flowers in intricate patterns during the Corpus Christi festival.

* * *

Tenerife has an abundance of interesting villages, all with various historical backgrounds. One is **Tegueste**, known for its culture and folklore and also a famous restoration. The village of **Tacorante**, close to Tegueste, is famous for its vast agriculture and production of red wine. Tacorante is also the site of the Agustinos Chapel and Sanctuary that are examples of 17th century architecture. Because this area is on the coast, one can find many delightful hidden beaches that offer impressive views.

Following this route, we encounter the village of **El Sauzal**, known as a town of painters and typical Canarian architecture. The inhabitants work mostly in agriculture. It is also here that the home of the "Guanches" can be found, with the cave of "Los Viejos".

Close to El Sauzal is the town of **La Matanza de Acentejo**, symbol of the defeat suffered by the Spaniards when they attempted to conquer the island several centuries ago. La Matanza de Acentejo is noted not only for its numerous monuments but also for its wines which are considered the best of the island.

A few miles away from La Matanza de Acentejo is the village of **La Victoria** whose name is a reminder of the triumphant conquest of the Gaunches. This area, with its green landscape, corn fields, grape harvests, and banana crops and is also where the Hermitage of Our Lady of "Las Victorias" was built by the conquerer Fernández de Lugo.

Approximately twelve miles from the capital, we find **Santa Ursula** where it is interesting to note the tourist area of La Quinta Roja, the famous cave of Mencey Bencomo, and the area of Tosquita-Corujera. Between the extensive valley of banana harvests, we encounter **Villa de la Orotava**, which displays magnificent and monumental architecture of the 17th Century. This village is world renowned for its crafts, woodwork, and cloths. Villa de la Orotava is also recognized for its Botanical Garden, which has approximately 3000 flowers from all over the world.

Close to this village is the city of **Puerto de la Cruz**, a principal tourist zone located in the center of the island. This location is extremely cosmopolitan, with surrounding landscape and a giant artificial lake designed by the artist Cesar Manrique. This city has various interesting churches and hermitages, such as the castle of San Felipe and the Castle of Real Aduana. Originally, this was a small town with fishermen as its inhabitants dating back to 1788. Today, it is a city well known for its attractions and its famous celebrations, the Carnavals and Patronage Festivals held every year.

Los Realejos is another town situated in the shadow of the mountains that form various canyons and banana fields. Of the many ancient structures, we find the Church of the Conception, which displays a magnificent baroque altarpiece and a baptismal font made of veined marble. The oldest church on the island can also be found here at the Church of Santiago dating back to 1498. This area is also a delightful place to enjoy hiking on the many paths, and sunbathing on the black sand beach of El Socorro. Continuing, on the same route is the village of **San Juan de la Rambla,** located on the coast. Here we can find many steep cliffs, small hidden beaches, and various fishing sites. This area also offers the Plaza of La Iglesia, considered the historical and artistic center of the town. Leaving San Juan de la Rambla we encounter **La Guancha,** which is full of religious structures such as the Parish Temple, built in the 17th century, with its beautiful carvings and a Baroque altar. This area is also known for its wonderful restaurants where one can taste the various foods of Spain accompanied by the delicious wines of the surrounding wine harvests.

A few miles away is **Icod de los Vinos**, a village surrounded by dense pines. The fame of this suburb is its garden that was founded in 1501. It is surrounded by noble homes, antique palaces, churches, and convents. One of the popular places to visit is the church of San Marcos, with a Renaissance façade and an impressive Baroque altar. One can also visit the Chapel of Los Dolores, the Plaza of La Pila, and the home of the famous Drago Milenario that is the authentic prodigy of vegetation.

On the coast we find the town of **Garachico**, which was the principal port of the island until 1706 when it was destroyed by a volcanic eruption. Next to Buenavista and Los Silos, this village has an extensive historical background; one can visit the Castle of San Miguel, the churches of Santa Ana and Santo Domingo, San Francisco, and Our Lady of Los Angeles. In fact, Garachico is well known as a "living museum". Other interesting points of this site are its delicious fish and its natural pool named El Caleton.

Next to this village, located at the foot of the Boscosa area, is another named **El Tanque** that is known for its beautiful pathways, labor house, tobacco industry, and ancient sites such as its main church that was built in 1750. Approximately 29 square miles separate **Los Silos** from the capital at about 363 feet above sea level. Los Silos is recognized for its agriculture, and many beautiful areas such as El Bosque del Agua (the woods of the water) and Paraje de la Tierra de Trigo (the place of the wheat land). Also interesting to visit is the parish church of Nuestra Señora de la Luz that consists of 17th century carvings representing Christ of Mercy.

In the extreme northeast of the island is the town of **Buenavista** which has abundant banana and fruit fields until we arrive at Macizo de Teno, an area of cliffs with almost inaccessible hidden beaches, manor house from the 17th and 18th centuries and a church that is dedicated to the Virgen de los Remedios that exhibits an artistic alterpiece, interesting carvings, and the work of Alonso Cano who through his artistic design represents San Francisco. Along the coast we find the town of **Santiago de Teide** which consists of the port of Santiago, beaches of Arena and Argel, and a tourist center of attractions including the Acantilado beach area. **Guia de Isora** is small village located on the side of the capital. It is most appreciated for its terrestrial communications, its center of agriculture (especially tomatoes and bananas), and its lovely beaches where one can participate in submarine fishing or take an excursion to Cañadas del Teide. **Adeje** is also close to the capital and in fact was the prehistoric capital of the island. Here we can find vertical walls of vegetation called the Barranco del Infierno. Here there are many established Guanche caves, as well as churches which display fine art and tapestries from the Gobelinos.

The Torre de la Concepción in the old quarter of Santa Cruz de Tenerife.

Close to Adeje is the village of **Arona**, known for its port of ferries that depart to the island of La Gomera. There are also many well known beaches such as the Playa de las Americas and the Costa del Silencio that are popular with tourists. Arona is also the home of the San Miguel neighborhood where one can taste delicious fish. The village also has a Parish church that was built with a watch tower named La Centinela.

Our next location is **Vilaflor**, approximately 4550 feet in altitude and situated among pine and almond trees. Vilaflor has various points of interest such as the parish church and the antique palace and house of Los Señores de la Comarca de Abona. One can also visit the different scenic areas as for example, La Madre del Agua, "El Sombrero", Los Parajes de Lomo Gordo, La Zona de las Lajas, La Montaña de San Roque, and Agua Agria. This village is recognized for its cheeses, wines and abundant mountain region, the main road of which leads us to Granadilla de Abona. **Granadilla de Abona** is a picturesque

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Goya introduces Tapas

Call them appetizers, hors d'oeuvres or even elegant Spanish pastries. Tapas are convivial eating. Invented in the taverns of Spain to provoke palate and conversation over a leisurely drink before dinner.

The drink's usually sherry. But it can be anything. It's the *tapas* that make the excitement. A great bar in Madrid could have as many as 70. Even the smallest bar, no fewer than [illegible]. But whatever they serve, it's as [illegible]

Fortunately for all [illegible] a *tapas* spread as [illegible] as any in Spain is as close as your Goya Section. [illegible] picture: Goya chick peas [illegible] with onions. Goya [illegible] marinated in Goya [illegible] virgin Spanish olive oil. Goya [illegible] & garlic, drizzled with that [illegible] cider-poached Goya [illegible] and Goya *empanaditas* [illegible] meat-filled turnovers [illegible] heat. And Goya's [illegible] scalloped crackers.

Goya has all kinds of [illegible] *tapas*, from [illegible] artichoke hearts [illegible] fritter mix. Expand [illegible] your place for drinks [illegible] *tapas*. By you. And by Goya. [illegible]

GOYA
MUSSELS
MEJILLONES
GOYA
GOYA
GOYA
GOYA
GOYA

Meet them at the Goya Section. Invite them over for drinks.

Want more Tapas ideas? Send stamped self addressed envelope to Goya, Tapas, Secaucus NJ 07094 town that is ideal for those who enjoy exploring winding paths. It is interesting to note that this site blends both the old and the new without either looking out of place. **Arico** is nearby and is located on the coast. It is known for its fishing and its monuments dating back to the 17th century, such as the Church of San Juan Bautista. **Fashia** is another town known as a tourist attraction for many. Here we encounter the center of tourism which carries the name of Los Roques de Fashia. It is a beautiful place to view the countryside or discover the vast volcanic areas. **Guimar** is a smaller village in what has always been known as a very dry area. Today, nature is changing its reputation and Guimar is developing rich vegetation.

Another famous spot for tourists is **El Puertito** that is a wonderful place to enjoy water sports, wonderful seafood, and interesting monuments and museums representing the history of the town. The village of **Afaro** is noted for its great tradition, especially musical; and one can visit various monuments and museums. Afaro is a lovely town, with many flowers and white buildings. Its main church, Pablo Serrano, has many impressive carvings.

The last of our villages is **La Candelaria**, recognized as a place of pilgrimage. In fact, a legend is still told of a virgin of Candelaria who arrived at the beaches of Ghimisay above the waves. Apparently, some of the Guanches, the primitive people of the island many centuries ago, took her to the Cavern of Achbinico, which is today known as San Blas. ☐

GRAN CANARIA

Colonial Spain and luxurious resorts

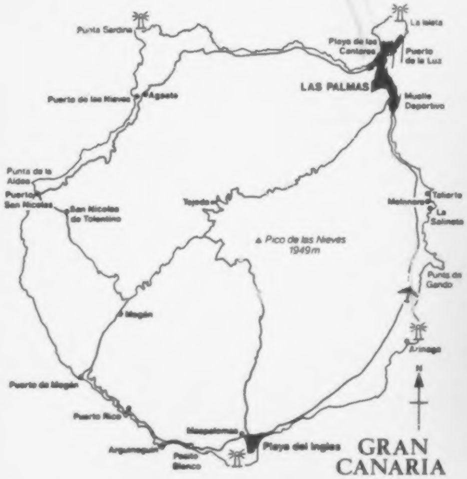
Gran Canaria is approximately 6,128 square miles in area. The highest peaks of the island are Pozo de las Nieves, Los Pedros, and El Sancillo, all at about 6,000 feet above sea level. Among its many attractions, Gran Canaria is well known for its countryside, vegetation and agriculture, vast mountain range, wide range of variations in climate, as a result of which the island is sometimes called the "miniature continent."

In the north of Gran Canaria, about 7 square miles from the largest city of the island, Las Palmas, is the metropolis **Arucas**, in the center of a vast banana harvest. Entering the city, one can see the beautiful gothic church and the magnificent Arucas mountain, which is easily accessible.

Continuing towards the coast, we arrive at **Banaderos**, a small village that is situated on a winding road leading to Cuesta de Siva (the slope of Siva), to the archaeological site of Cenobio de Valerón, and on to **Guia**, a city that epitomizes the baroque era. Approximately 8 miles ahead is the capital of the primitive aborigines who founded the city of **Galdar**. Here one can visit the "Cueva Pintada" (the painted cave) and "El Agujero" (the hole).

About 4 miles beyond are the villages of **Agaete** and **El Puerto de las Nieves**, surrounded by an exuberant valley and pine grove named "Los Pinares de Tamadaba". Following the same road, known as "Andén Verde" (the green walkway), about 36 miles from Las Palmas, is **San Nicolas de Tolentino** and then **Moya**, a small village situated in a beautiful landscape amid voluminous vegetation. Towards the center of the island, is **Tarifa**, a residential area known for its enormous vegetable growth. Tarifa is also recognized for its "Jardín Canario" (canary garden) where one can view the accumulation of decorative flowers. Branching off back to the main road we arrive at **Pico de Bandama**, where one can see the ancient volcanic peak of the same name. Very close to Pico de Bandama is the splendid palm grove of **Santa Brigida** that leads us towards **San Mateo** and **Cruz de Tejada**, ascending to approximately 4,785 feet in altitude.

From El Parador de Turismo, a site from which are visible many mountain tops, curvying passages leads us to the small villages of **El Roque Nublo**, **El Bentaiga**, and **Humiaga**. Going a little further, behind the val-



ley region are the towns of **Tejeda**, **Atenara**, and **Pico de Tamadaba**.

A few miles north we encounter **Valleseco y Teror**, known as the religious capital of the island. Some of the interesting sites to visit are the convents of Cister and Las Dominicas. Also, one can see the Palacio Episcopal (the episcopal palace) and the "Virgen del Pino en la Basílica" (the pine virgen in the basílica). Close to Valleseco y Teror is a beautiful scenic road where the village of **Tamaracede** is located.

The south of the island is known for its vast beaches that lure many tourists to the shores of San Augustín, Playa del Inglés, and Maspalomas. Here there are many large hotel complexes, apartment blocks, and villas. Due to the shifting sands, yachting facilities are only provided in the western area of Maspalomas, where one of the more popular marinas is "Pasito Blanco", located across the bay near the Maspalomas lighthouse.

From here, the main road which runs around the south coast is less than a half mile away. There one can visit **Puerto Rico**, a location built for the tourist industry. Puerto Rico consists of a small beach made with sand from the Sahara Desert. Above the beach is a resort that overlooks the water. Palm trees and flowers blend with the white cement villas.

Another village close to Puerto Rico is **Arguinequin**, renowned for its fishing sites. This area consists of a harbor surrounded by small houses and narrow streets. It is a wonderful place to enjoy not only the sport of fishing but also the various shops and large supermarkets, named "El Puerto", "Rosa", "León", and "Calisto". Also, one can visit the open air market that takes place every Tuesday on the streets of Arguinequin. Tradition is one aspect of this village evident in its yearly festival called "Fiesta del Carmen" which commemorates Saint Carmen, the patron saint of the fishermen. The streets are covered with flags and decorations and each house displays a palm in its doorway. After several days of festivities, the Madonna Carmen is taken out to sea in one of the fishing boats.

Other interesting sites to visit along the same route are **Patalavaca**, **Tauro**, and **Mogán**, which also has its own fishing site. In fact, the village of Mogan is a good example of the old and the new, with a port that offers many attractive shops and open air cafes. Returning to the main road, we visit the villages of **Fataga**, known for its beautiful pines, and **San Bartolome de Tirajana**, an area abundant with almonds, olives and fruit.

Many locally famous architects contributed to the design of the Cathedral of Santa Ana in Las Palmas de Gran Canaria.

A little further on are the villages of **Santa Lucía**, **Temisas**, and **El Barranco de Balos** (an interesting Archaeological site) and the towns of **Aguimes** and **Ingenio**, two places known for their interesting crafts.

We then arrive at **Telde**, considered the second city of the island (the first is Las Palmas), where one can visit "San Francisco", a neighborhood of typical Canarian architecture. Close to this city is **Jinamar**, a village that leads us to the east coast where one can view the various fishing harbours of **Taliarte**, **La Salineta**, **Bahía de Gando** and **Bahía de Arinaga**, famous for its dangerously strong winds.

Last is the city of **Las Palmas**, rich in history. In fact, it is the site where Christopher Columbus set off for the new world and where one can find the governor's house where Columbus stayed on the eve of his voyage. Today the "Casa de Colón" is a museum consisting of two inner courtyards and a building that contains old maps, flags and nautical instruments. Another place to visit is the district of Vegueta in the old part of town. Here can be found the Plaza de Santa Ana, the town hall, and the Archbishop's Palace. Also, the cobblestone streets in this area are surrounded by white houses, trees, shrubs, flowers, and fountains. Near the Vegueta district is the principal fresh fruit and vegetable market, housed in a building that contains various drinking bars set in the walls. Across the road is the Triana district where most of the tourists and Canarians do their shopping. The main street, Mayor de Triana, also has many shops. In the middle of the city on the waterfront, one can visit the yacht harbour. There is also a freeway that runs along the Avenida Maritima that is about 5 miles long. Another main road is León y Castillo, which goes from the Triana district to the northern end of the city, referred to as "Puerto" which consists of an extensive commercial harbour and a park called Santa Catalina that offers many open air cafes and restaurants, newspaper and souvenir stands, and various shops.

The ancient caves of the Guanches at Galdar.

Las Palmas is also well known for its beach named "Las Canteras" which has many fine hotels and restaurants that offer superb seafood that is caught daily. Also on the coast is the "Muelle Deportivo" harbor where tourists can obtain a visitors membership. Whether it is the coastline, the shops, restaurants and cafes, historical sites, or parks, Las Palmas is a delightful city that offers relaxation and excitement for any visitor.

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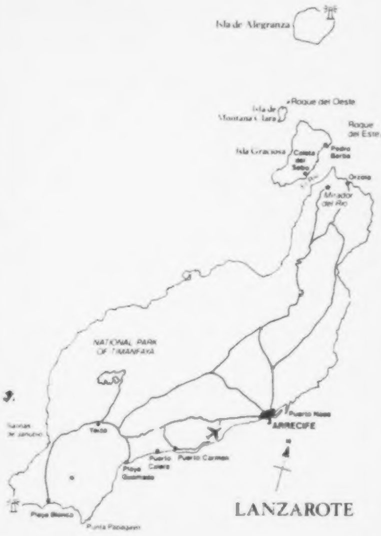
CELEBRATING THE CANARY ISLANDS

LANZAROTE

Colors in lunar landscapes

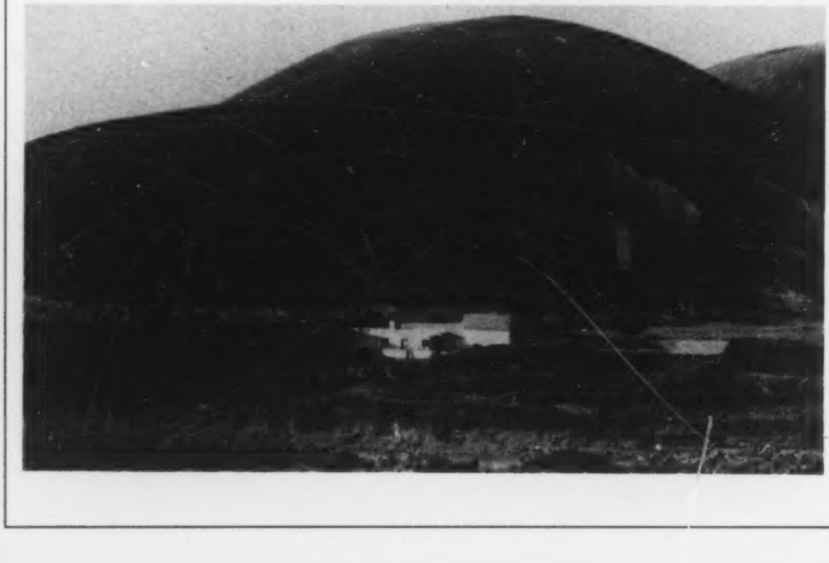
Lanzarote is different from any place else. It produces an overwhelming sensation of cosmic catastrophe, as if the seventh day of Creation seems not to have reached this island. In effect, in times as recent as the 18th and 19th centuries there were great volcanic eruptions which wiped out some 120 square miles and transformed its appearance. The innumerable fire-marked volcanic cones and their carbonized valleys offer a mysterious and lunar landscape, the sight of which in a unique experience. The geological phenomenon of the gulf of the Montaña de Fuego with its incandescent interior, and of the islet of Hilario, whose solitude is underlined by the rough sea which can be seen in the distance—reveals to us the primary categories of fire, water, time and silence.

But if nature itself is surprising, the visitor will be astonished by the work of the islander, which makes possible the daily miracle of agriculture in a burned-out land. La Geria is an infinite series of tiny craters made by man, in whose depths grow the vine from which is made the exquisite malmsey wine. Over these fields the farmer spreads a fine layer of volcanic ash, which by absorbing the night dew gives the necessary humidity to the plants. The famous melons and watermelons of Lanzarote, the grapes and the figs, the tomatoes and the onions are raised in dry land by means of an agriculture which reaches the level of true craftsmanship.



The special character of Lanzarote is due more than anything else to one man, Cesar Manrique, a sculptor and architect. he was the local artist who reached international acclaim and then returned to his native lane and was appointed artistic advisor to the local government.

His hand and eye is felt throughout the island, in all the tourist developments and in many of the tourist attractions. Planning control has been very strict, so no billboards or advertisements are allowed to **mar** the roadsides, no buildings over four stories allowed in the resorts, everywhere a theme of simplicity, whitewashed cubes of houses punctuated with doors and windows in the same Lanzarote green, evolved from the copper-based paint used by fishermen on their boats.



There is an African feel to the tiny minarets on the houses or the vast green and white striped, tented interior that makes Lanzarote's airport lounge singularly different. Manrique's almost obsessive dislike of the flamboyant or loud extends even to road signs, for there are few and most of the island's attractions have to be carefully sought out.

One of Manrique's creations is the Mirador El Rio, a vantage point built into the edge of a precipice in the north of the island. From the outside it appears to be simply a rocky fort, but inside all is light with white-washed, high domed rooms housing a bar and a restaurant overlooking the straits of El Rio, which separate Lanzarote from Isla Graciosa, the small island to the north.

Arrecife, which means "reef" in Spanish, is the capital of the island. It is a gay and clean and surprisingly white city. Overlooking the fishing port with its busy commercial life stand the castles of San Roque and San José, built to defend the port. There are the beaches of Reducto, Guacimeta and Playa Blanca.

To the south of Arrecife, in the municipality of **Tías**, twenty minutes by car on a good road, there is a development with beaches, bungalows and apartments with accommodations for more than a thousand persons. There is a small marina and tennis courts, and it is one of the most attractive settings on the island.

Along the stretch of coast between the airport and Puerto del Carmen there are very beautiful beaches. The international airport of Arrecife lies to the south of the capital, some 3 miles away.

In Lanzarote the route to the north leaves Arrecife and goes to **Teguíse,** the old capital, with the Guanapay Castle set on a volcanic cone. The highway runs through **Haría**, the town of the thousand palms, with the air of an oasis. From there the route rises to the cliff of Famara; from La Batería may be seen the most splendid view of the island of **Graciosa**, a tiny paradise of marvellous beaches with a small fishing village, and the minor islands of **Montaña Clara, Alegranza, Roque del Este** and **Roque del Oeste.** A short distance away, winding around the volcano of La Corona, one enters **Malpaís de la Corona**, where is found the most impressive of the caves, known as Los Verdes, an immense volcanic tobe 3½ miles long, through which in other times volcanic lava ran. it is a frightening spectacle, brutally dramatic. Close to the cave is found the Jameo del Agua; a lagoon fed by the sea through underground galleries in which has been installed a modern night club—one of the most astonishing sights on the island.

The route to the center and the South combines distinct spectacles: the calm and marvellous **Sur and Este** beaches magnificently adapted to underwater fishing, and the lava region of **La Geria**. The visit would not be complete without the **National Park of Timanfaya** and the **Fire Mountain**, Montaña de Fuego. In 1730 the volcano Timanfaya erupted spectacularly, followed by six years of continual eruptions from more than 30 craters, covering the island with layer upon layer of lava and volcanic ash, thus creating its distinctive lunar landscape. On the Fire Mountain what appears to be a hilltop fortress is, in fact, a circular restaurant, Islote de Hilario, where one can sample a barbecue of meat cooked on a grill placed over a hole in the ground, a tasty meal cooked by the volcano. Outside one can witness the intense heat which gives the Fire Mountain its name. A bucket of water poured into a vent in the ground geysers out as a 20 ft high column of steam, and twigs and bushes catch fire when placed in a pit only a metre deep. The Montaña de Fuego, is reached by camel-back, and from it may be seen more than 300 volcanic cones.

In this barren, rainless land, the Lanzaroteans have developed a distinctive style of agriculture. The black volcanic soil is transported to the fields and the plants or vines protected by small semicircular walls of stone to keep the soil in place. These circles of green on black against the brown land dot in patterns across the landscape. The brilliant white houses of the villages provide a dramatic element, enlivened with splashes of colour from geraniums or bougainvillea.

No one who has ever experienced the incredible scenery of Lanzarote will ever forget it. ☐

FUERTEVENTURA

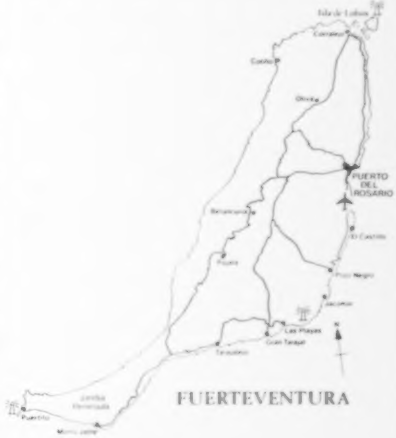
"The Connection to Africa"

Fuerteventura, the "Viejo País Canario", the island with the longest coastline, with wide plains and gentle water courses, with immense beaches, is a geographical vacuum, ideal for those who want to isolate themselves from the pressures of everyday life. But, in addition, it offers fishing in incredibly clear waters as a special attraction for a growing number of tourists who reject wholly sedentary vacations. Only 54 miles separate Fuerteventura from Cape Yubi in Morocco. Bare hills, vast sand dunes, cacti in bloom and palm trees create a desert landscape. There is an air of solitude and space to the island with several beaches of unbroken fine sand 10 miles long, which even the tourist resorts that have been developed can never fill. Fuerteventura can be an oasis of tranquillity, offering excellent diving and snorkelling.

All the old towns and villages of Fuerteventura are hidden deep in the interior. The ancient capital of the island, **Betancuria**, bearing the name of the conqueror, was founded in 1402. Now it is a small sleepy place, the old houses overshadowed by a fine cathedral, the first bishopric in the Canary Islands, built in a Moorish style with whitewashed walls, a carved wooden balcony and a high square tower.

It was only in the last century, with the increase in trade and the disappearance of pirates, that the capital was moved to the port, called first of all Port of Goats (Puerto de las Cabras), renamed in 1957 more attractively as **Puerto del Rosario.**

In Puerto del Rosario there is a beautiful National Parador close to the delightful beaches near the capital. But in the northern and southern extremities are two zones of beaches which stand comparison with the finest in the world. Outstanding among the best beaches are Jandía, Caleta de Fustes, Playa Blanca, Gran Tarajal and Corralejo.



Isla de Lobos to the north-east of Fuerteventura is the small island of Lobos, called after the seals which used to frequent this area. Forming part of the Parque Natural de las Dunas, the island is still rich in wildlife, from the migrating birds on the shore to the variety of marine life to found under the clear waters. This area, along with the north-eastern waters of Fuerteventura, is renowned for some of the best diving and fishing in the Canary Islands.

Just opposite Isla de Lobos, on Fuerteventura is **Corralejo**, originally a small fishing village, which has now developed into a busy tourist center. ☐

GOMERA

Rugged, mountainous grandeur

Round in shape and with an area of 227 square miles and 25,000 inhabitants, Gomera is a rich and leafy island formed by a great central massif known as Alto de Garajonay, currently a National Park, which rises more than 4,500 feet above the sea. Gomera's abrupt coast is formed by cliffs and the interior is mountainous.

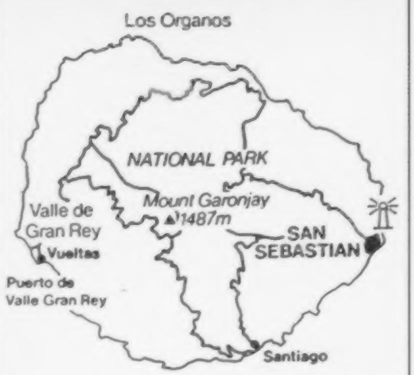
It was from the port of **San Sebastian** on Gomera that Christopher Columbus set off on September 6th, 1492 on his historic voyage of discovery.

Remaining a quiet backwater over the centuries, San Sebastián still boasts the house where Columbus is said to have stayed, the old customs house, and other buildings from that era. It is not difficult to catch the flavor of how the town must have been when Columbus departed for the New World.

It is fairly certain that he said a last mass at the church of Our Lady of the Assumption, which is well preserved and still serves as the principal church for the town today. At the edge of the harbor stands the fortified Torre del Conde, all that remains of a fortress built around 1450 by the first Count of Gomera, Hernán Peraza. Once it contained treasures brought back by the Conquistadors, but it now houses a collection of antique weapons and local artefacts.

The island must have exerted its charm on Columbus, for he returned there to provision for his next two voyages in San Sebastián, although the attractions of the young and beautiful widow Beatriz de Bobadilla are reputed to have played some part. In any case, by the time of his fourth voyage Beatriz had married Alonso de Lugo, the conqueror of La Palma and Tenerife, and Columbus conspicuously avoided Gomera. The association of San Sebastián with Columbus is celebrated every year in a week of festivities., the Semana Colombina, from September 1st to 6th.

In the 16th century San Sebastián was a busy harbor, used extensively by Spanish ships carrying out repairs and provisioning with fresh food and water before setting off across the mighty Atlantic.



GOMERA

The center of the island is dominated by Mount Garonjay (4,875 ft/1,487m), which has been designated a National Park. On a clear day there are fine views from the top of the mountain to El Hierro in the west and the towering peak of Teide on Tenerife to the east. Unexpectedly in a subtropical climate, these higher slopes are covered with forests of pine and laurel, ferns and bushes in a mass of different greens. Travelling down from the heights the vegetation changes quite abruptly to prickly pear, cactus, thistle and palm trees, the lower slopes of the mountain being grooved by verdant valleys, neatly terraced and cultivated.

The rugged terrain and its inaccessibility making communications difficult, the Gomeros developed a unique form of whistling language to talk over long distances.

San Sebastián, capital and port of the island, is a pretty and picturesque town of 7,000 inhabitants, where the Conde de La Gomera National Parador can be found. **Santiago** is a small fishing village with bars, restaurants, small shops, supermarket and bank strung along the road which fronts the sea and pebbly beach. Nearby banana plantations in the green valley come down almost to the sea.

Hermigua, with its white and luminous farm settlement, lies in one of the richest banana zones of the island.

El Bosque del Cedro. One of the most beautiful cedar groves in the Canaries.

Vallehermoso. A place of unique beauty, in which are cultivated the most varied species of fruit trees, banana trees, sabines, palms, etc. Along with its good beach, outstanding are the Organos cliffs, thusly called because of the peculiar form of the rocks.

Playa Santiago. A fishing village, very picturesque, with an excellent beach with clear waters.

Valle Gran Rey. Set in a fertile banana region, with lovely palm groves and a magnificent beach with golden sand, one of the best on the island. ☐

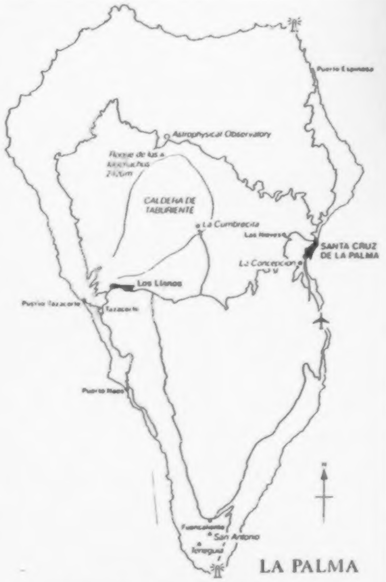
LA PALMA

"La Isla Bonita"

La Palma, with its 437 square miles and 80,000 inhabitants, is the ideal green island. Referred to as the "pretty island", and regarded by many as the fairest of jewels in the Canaries' crown, La Palma does not have so much of that bare volcanic landscape which makes some northerners long for trees.

The abundance of water in springs and streams is the main cause of this verdant nature, the west coast being a sea of green banana plantations, waves of leafy fronds undulating in the breeze right to the edge of the cliffs where the blue waves lap the shore.

Reaching over 7,500 ft (2,400m) at its highest point, La Palma has the highest ratio of altitude to area of any island in the world. This makes for a certain grandeur and abrupt changes in vegetation as one hairpins down from volcanic scrubland through giant pine forests and laurels festooned with lichen to subtropical palms and the ubiquitous banana.



Another distinction of La Palma is that it is an island with a giant hole in the middle, the **Caldera de Taburiente**, the largest volcanic crater in the world. Few visitors to La Palma pass by without taking the trip up to the Mirador La Cumbrecita to view this vast crater, 27 kilometres in circumference, resplendent in its shades of green. The island's maximum height is that of **Rogue de los Muchachos**, which stands almost 8,000 feet above sea level and is where the Astrophysical Observatory can be found.

The Avenida Marítima in Santa Cruz de la Palma.

Santa Cruz de la Palma, capital of the island, with an important harbor, lies on the eastern coast on the slope of the mountain and on the edge of the volcanic crater known as La Caldera, in the shape of an amphitheater, which gives the city a curious perpective. its picturesque Calle Real, center of the official, commercial and wordly life, opens into the Plaza de España. There are found the El Salvador Church and the City Hall, two examples of great architectural value from the 16th century. Santa Cruz de la Palma has a Natural History Museum with magnificent zoological pieces and aboriginal remains, and a rich library. The Avenida Marítima runs beside the sea and along it and has, side by side with modern buildings, old homes with great wooden balconies, typical of the island architecture.

Although Santa Cruz developed rapidly as the main port was on the other side of the island at **Tazacorte**, where Captain de Lugo landed and took the island for Spain. The first Spanish settlement on the island was established here and the old church in the village of Tazacorte was founded by de Lugo himself. The town is set away from the port amid a sea of banana plantations.

Other Places of Interest

Los Llanos de Aridane. An important commercial and agricultural center of the island. Located in one of the most admirable valleys of the Canaries' scenery, which can be seen in all its beauty from El Time lookout point from which also may be seen the Caldera de Taburiente and Tijarafe. **Puerto de Naos,** a small village with great activity, has an excellent beach with very fine black sand. **Fuencaliente** is the southernmost town on the island, surrounded by pine groves and vineyards, with the counterpoint of its volcanos, the most famous of which are San Antonio and Teneguía. **Mazo** has the Belmaco Cave, with prehistoric inscriptions, and a lookout point over the coast with a marvellous view. **Breña Baja,** with its Cancajos Beach, a succession of small coves with clear waters, is an interesting place because of the tourist promotion which has taken place. It is the site of the La Palma airport. In **San Andrés y Sauces,** the Tilos Forest, of great beauty and one of the thickest in the whole archipelago, attracts attention because of its gigantic ferns. **Cueva Bonita.** Near Tijarafe lies this beautiful natural grotto into which the sea penetrates. ☐

EL HIERRO

"The Tranquil Haven"

El Hierro is the westernmost of the islands of the archipelago and is triangular in shape with steep coasts. It has a population of 7,000. With its 166 square miles it is the smallest of the islands. The center is made up of a high meseta and at its greatest height is Mal Paso, 4,350 feet. El Hierro presents an abrupt and mountainous aspect, with its coasts rising steeply from the sea except for the entrance to the gulf, 8½ miles in extent, whose sides are covered by forests and which is an interesting and curious spot. Its fertile soil gives the island various groves of pines, beech and sabines, with many volcanic craters on its peaks.

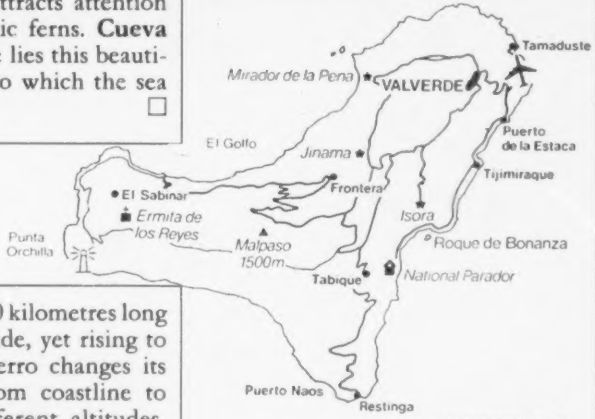
The distinctive features of the Canarian landscape are all present, from pine forests to volcanic badlands and banana plantations. All that is lacking is the beaches that have been the focus of tourist development elsewhere.

Nor is such development likely to occur, as most herreños are content for their island to remain a tranquil haven for the discerning traveller. It is felt that any large influx would swamp the 7,000 inhabitants and the friendly family atmosphere that pervades the island. Then they might even need to increase the police force above the present roll call of two! The local government is keeping a control on all new building, limiting both size and capacity of any hotel or non-residential development.

Being only about 50 kilometres long and 20 kilometres wide, yet rising to 1,500 meters, El Hierro changes its face very rapidly from coastline to coastline and at different altitudes. The central ridge running the length of the island is thick with old pine trees, the ground carpeted with fallen needles. In half a dozen places there are vantage points (*miradores*) which offer dramatic views over the island so splendid that El Hierro could well be called the island with a view.

A few kilometers from the beautiful Jinama *mirador* as the crow flies, at the Mirador Isora, one can see the National Parador, in splendid isolation down a 10-mile cul-de-sac.

In the same bay is a unique rock shaped like an arch, called Roque de Bonanza, the 'rock of fair weather', so called because under the prevailing wind conditions, when the outer bay is flecked with whitecaps, or "white horses" as they are called in Spanish, the Roque de Bonanza remains surrounded by an unrippled calm.



The sheltered southwestern coast is equally calm, the sea called here Mar de las Calmas. This coast is virtually uninhabited, beautiful in its wild isolation, for it is inaccessible to motor vehicles except for a single dirt road which runs along the ridge to the

The folk festivals of El Hierro are colorful and pure.

lighthouse at Punta Orchilla and affords some splendid views.

The lighthouse is on the westernmost point of the island, which ancient geographers set as the zero meridian before the ascendancy of Greenwich. Visitors making their way to the lighthouse are rewarded with a certificate complete with seal commemorating their visit.

On the hills above the lighthouse at El Sabinar can be found the trees which are the emblem of the island, gnarled juniper trees blown into onesided shapes by the constant buffeting of the wind. In this remote area is the small hermitage Ermita de los Reyes, housing the patron saint of the island. Once every four years the image of this madonna is carried across the mountains to the capital Valverde for a week of festivities. The next occasion will be the first weekend in July 1989. The Herreños take their traditions very seriously and this is a big event on the island.

Most of the islanders live by farming or fishing. There are cereals, potatoes, and plenty of fruit trees as well as almonds and figs.

Beaches might be in short supply in El Hierro, but not too far from Puerto de la Estaca at Tamaduste an exterior reef encloses the bay to make a splendid natural swimming pool. The reef prevents yachts from using its sheltered waters. Man has improved on nature by building steps and walkways into the surrounding rocks to give the whole bay a swimming pool atmosphere. Some Herreños have their holiday homes here, it not being unusual on the island for people to have a winter and summer home.

The capital of El Hierro, **Valverde**, is the only island capital in the Canaries which is not a sea port but is situated inland in the hills. It has 5,000 people and is an agreeable and picturesque place, with beautiful orchards and gardens and a lovely plaza, from which may be seen the sea and the other islands. There is an interesting church-fortress. Puerto de la Estaca is 3 miles away. There is an airport a few kilometers from the capital.

Interesting Places

Frontera. Lying in the curve of the gulf, it is the rich vineyard zone of the island. **Sabinosa.** Famous for its medicinal waters. **La Restinga.** To the South of the island, it is a region of excellent surface and underwater fishing. **El Tamaduste.** A great natural pool with crystal and calm waters. **Tinor.** In the center of the meseta, it is very interesting for the pyramids of ashes in the green fields. From **Mal Paso** there is a magnificent view of the gulf and the whole island.

It is not hard to see why, for so long, men were prepared to accept that this was the end of the world. It takes some courage even today to point one's bows westward and for many a sailor their last contact with land is the forlorn blink of Orchilla lighthouse, sending out an *adios* from these enchanted islands. ☐

Hierro's Port of La Estaca

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World-class Resort Community Planned

In Gran Canaria, the Santa Agueda development will be designed to complement the flavor of the local environment

Economics Research Associates has long been active in the field of international tourism and resort development. The firm is currently involved with resort and hotel projects in Greece, the Bahamas, and Spain, and has recently completed an economic and development planning study for Maspalomas de Gran Canaria. This project is one of the Canary Islands' largest planned destination resorts. The following highlights the characteristics of the project and its market environment.

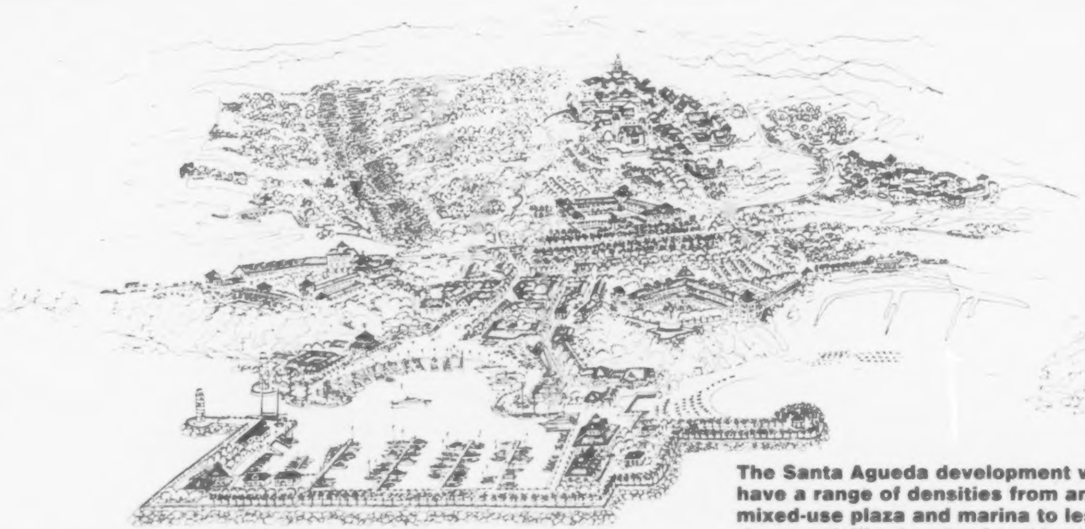
The Canary Islands, an archipelago of seven major and six minor islands, are located in the Atlantic Ocean slightly north of the Tropic of Cancer, 70 miles west of Morocco and 700 miles south of mainland Spain. The islands, particularly Gran Canaria, have long been an important crossroads of trade and commerce and have a rich historical tradition.

First alluded to by the Greeks, the Canary Islands were known as the Isles of the Blest or the Fortunate Islands. Although the first true European expedition to the archipelago occurred in 1402, it was not until the end of the century that Gran Canaria was subdued and the entire archipelago brought under Spanish rule.

A logical outcome of the Islands' tradition of trade and commerce is the development of a very healthy tourism industry. In 1985, the Canary Islands had a total visitation of over 3.7 million. This level of visitation ranks the Canary Islands as one of the major sun/surf tourist destinations in the world. The great majority of visitors to the Canary Islands are from the European mainland, with substantial visitation from Germany, the United Kingdom, and the northern European countries of Scandinavia. Much of this tourism consists of group-based trips on charter aircraft. The average length of stay is longer than for most other sun/surf destinations—over two weeks.

There has been long-term steady growth in visitation to the Canary Islands. Unlike many other winter sun destinations in the world, the Canary Islands have been relatively unaffected by economic or political conditions. Due to the Islands' relative proximity to Europe and relative low cost, ERA projected that even during an economic recession in Europe, tourists who would otherwise have visited more distant locations would still travel to the Canary Islands. ERA also believes that this long-term growth in visitation will continue into the future. This is in large part true because in the Canaries it is always springtime. One can swim year-round in a climate which never varies more than 20 degrees (65 to 85 degrees Fahrenheit). There is little rainfall, but the trade winds provide relief from what would otherwise be a dry climate. In fact, the Canary Islands are the only warm weather winter resorts in Europe.

In addition to fine year-round weather, the Canary Islands and particularly Gran Canaria are characterized by the shape and nature of their landscape. The Islands were formed by undersea volcanic activity and, of



The Santa Agueda development will have a range of densities from an urban mixed-use plaza and marina to less dense neighborhoods of residential units.

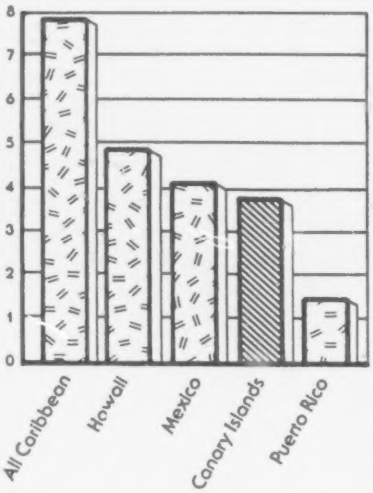
all the Islands, Gran Canaria reveals its geologic origins most clearly. This island has the true volcanic silhouette. The northern portion of Gran Canaria features steep and rocky coastlines peppered with coves, inlets and narrow beaches. The mountainous part of north Gran Canaria is covered with thick pine forests and wooded ravines, and is the kingdom of the banana tree. In contrast, the southern portion of the island has seen the moderating effects of wind and rain, and the overall nature of the island is softer and smoother here. The climate is arid and has proved to be ideal for resort development. The southern coast unfolds in a series of beaches culminating in the natural oasis of Maspalomas.

Gran Canaria possesses an excellent infrastructure for tourism, including high quality hotel rooms and tourist accommodations. Superior attractions for the tourist, services and good air access are already in place at Gran Canaria. The level of service is high and most hotel and restaurant staff are multilingual, making Gran Canaria even more attractive to the international tourist market.

One thousand acres of Maspalomas remain to be developed. The area is known as Santa Agueda. The Castillo family is the original owner and developer of the 5,000-acre seaside resort area of Maspalomas de Gran Canaria. The Castillos are a well-respected family with a heritage that is deeply tied to the history and growth of the Canaries. Since development of Maspalomas de Gran Canaria began in 1960, accommodations for over 120,000 people have been built, representing an investment of over $600 million. Now, a new generation of Castillos is taking on the challenge of creating a new world-class development at Santa Agueda. This last remaining piece of oceanfront property will be home to a planned resort community of the highest quality. The resort will be designed to attract the upscale European traveler but also to broaden the appeal of the Canaries to North America travelers.

The development plan recommended for Santa Agueda includes seaside marinas; a commercial center; oceanfront hotel sites; hillside residential developments—apartments, villas, bungalows, and townhouses; an 18-hole golf course; and public beach areas. This development plan is based upon ERA's 10-year demand forecast which shows strong market potential.

MAJOR SUN/SURF DESTINATIONS (Arrivals in Millions)



Source: Economics Research Associates

The character and quality of the development is directly linked to its proximity to the ocean as well as its dramatic cliffs, beaches, mountains and valleys. Therefore, a range of densities is anticipated, ranging from an urban mixed-use plaza and marina to less dense neighborhoods of residential units in the upland areas. Ultimately, the overall tone of Santa Agueda will be that of a resort community where both tourist and islander may enjoy the attributes of the south coast of Gran Canaria.

The development will be designed to complement the flavor of the local environment—utilizing local craftsmen and the beautifully distinctive Canarian forms of architecture and design. Existing local vegetation, including banana plantations, will be retained to incorporate a local theme into the resort community.

A master plan is currently being prepared for the project by the SWA Group, a premier U.S. land planning firm. Completing the project team is the McDonnell Douglas Corporation, under the auspices of the F/A-18 offset program. In 1982, MDC sold 72 aircraft to the Spanish Government and, in turn, agreed to generate a designated amount of economic activity in Spain. MDC is assisting the Spanish parties involved, offering project coordination in the U.S. and Europe. ☐

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The Busy Ports of the Canary Islands

Port facilities are of especially vital importance to the Canaries because of their strategic location at the crossroads between continents.

THE PORT OF SANTA CRUZ DE TENERIFE

By Guillermo Bencomo
President of the Board

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We will be delighted to answer any questions that you may have about the technical characteristics or the traffic of merchandise in the port. We would also be pleased and honored to show you our facilities should we be given the opportunity in your next trip to the Canary Islands. □

ASTILLEROS CANARIOS

By Carlos Padrón Cabello
President of the Board

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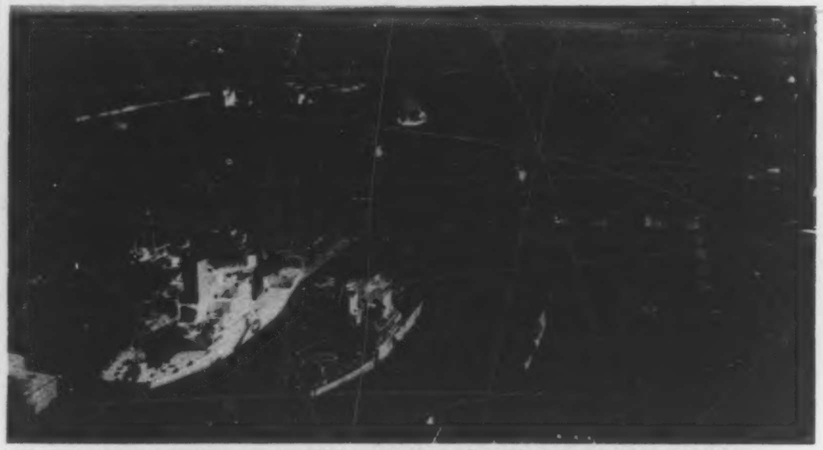
These are some of the reasons why throughout all these years ASTICAN has been chosen by so many foreign customers. Among ASTICAN's customers, Militar Sealift Command, for whom extensive repairs in research ships have been carried out, is especially notable. Finally, we should mention the Canary Islands, extraordinary climate, which led to their being called the "Fortunate Islands" in ancient times. Such weather conditions are advantageous for performing all kind of naval repairs. □



The huge Puerto de la Luz y Las Palmas in Gran Canaria has excellent facilities.

PUERTO DE LA LUZ Y LAS PALMAS

Por Anastasio Travieso Quintana
Presidente de la Junta

Desde las Islas Canarias, las tierras españolas más cercanas a las Américas tanto geográfica como emocionalmente, nos resulta muy grato tener la oportunidad de enviarles un cordial saludo y al mismo tiempo ofrecerles nuestra hospitalidad. Es altamente probable que Vds., los americanos del Norte, además de nuestra hidalguía y nuestro entorno amable, valoren las posibilidades de negocio con España y, también en este particular, tenemos algo que ofrecerles.

En Europa pero cerca de América, a un paso de los mercados mediterraneos y de los mercados africanos, aquí en el Puerto de La Luz y Las Palmas, en la Isla de Gran Canaria, estamos dispuestos, si lo desean, a ser sus anfitriones y a colaborar con Vds. en aquellas empresas o actividades que precisen de un puerto moderno, cómodo y seguro con equipamiento a nivel del de los más importantes del mundo.

Podemos ofrecerles más de 10 Km. de muelles de atraque de los que más de la mitad tienen un calado superior a los 12 metros; podemos ofrecerles un servicio de "bunkering" atendido por algunas de las principales empresas internacionales como Shell, Mobil, Esso, Texaco, B.P., Cepsa, Ducar, etc.; podemos ofrecerles amplias explanadas y muelles suficientemente dotados para la manipulación de contenedores; podemos ofrecerles también, un almacenamiento frigorifico superior a los 100,000 metros cúbicos, unas explanadas de más de 21 hectareas, asi como unas modernas instalaciones para reparación naval, etc., y todo ello en un clima sin nieve, sin lluvia y sin frio, con posibilidad de distrutar de una isla con gran belleza natural y de una ciudad turística con ambiente, playas, hoteles y diversiones de auténtico nivel internacional.

!Esperamos tener la oportunidad de poder reiterarles personalmente nuestro ofrecimiento! ☐

The Economy of the Canary Islands

Prospects for investment and expansion are excellent, helped by tax incentives and super priority status within the EEC.

By Sumaya Grisales-Masis

As part of the highly favorable position of the Spanish economy in the last two years, the performance of the Canary Islands has been among the best as reflected by:

- The overall growth rate for the Islands in 1986 was 5%—two points above that of the total Spanish economy (3.0%).
- Investments in the Islands reached a total of 18.6% of total output, outpacing total investment activity in Spain by 24.7%.

Prospects for further economic expansion in the Canary Islands are very positive. This seven-island region offers a very particular treatment of benefits, tax laws and incentives and a special position within the European Economic Community.

THE CANARY ISLANDS ECONOMY BY SECTORS

Distribution By Sector of Gross Regional Product (GRP)

a. Services	68.6%
b. Commerce/Industry	14.6%
c. Construction	9.6%
d. Agriculture & Fishery	7.2%

Services Sector

The services is the most developed and the major contributor to the local economy with a 68.6% GRP. It employs 64.5% of the total local labor force. Tourism and its derivatives, transportation, and financial institutions constitute the most important factors in the services sector. The development of tourism started 25 years ago with the construction of modern and luxurious hotels in Tenerife and Gran Canaria. Hotel construction and tourism have continued to grow at an accelerated pace principally in the centers for tourism of Maspalomas and Playa del Ingles in Gran Canaria, and the Americas in Tenerife. Furthermore, in the 70s, tourism development was extended to the islands of Lanzarote and Fuerteventura, both already well known among European tourists and major centers for foreign investment. At present, the Canary Islands have 100,000 hotel rooms, with an additional 160,000 non-hotel facilities that handle approximately 4,500,000 tourists per year (1987 figures).

SUMAYA GRISALES-MASIS is an international trade advisor with extensive experience in multinational corporations and financial institutions.

Commerce and Industry Sector

As a consequence of its strategic geographical location linking America, Europe and Africa, commerce plays an important role in the economy of the South Atlantic region.

TRADE FOR THE CANARY ISLANDS IN 1986

Continents	Imports (US $ in Millions)*	Exports (US $ in Millions)*
Europe	666.9	157.0
Asia	254.0	143.4
America	232.0	25.9
Africa	50.0	130.6
Others	1.2	38.9
Totals	1,204.1	495.8

*(US $ 1.00 = 110 Pesetas)

Major exports out of the Canary Islands are bananas, tomatoes, flowers, petroleum products, tobacco, and canned foods. Imports are mainly fertilizers, crude oil, food products and manufactured goods.

Further progress of the economy of the Canary Islands will be stimulated by four major sources of benefits and incentives:

- Traditional tax benefits and/or exemptions enjoyed as a duty free region;

THE ECONOMY OF THE CANARY ISLANDS

- Special relationship between the Canary Islands and the European Economy Community;
- Regional Project: Creation of an Off-Shore Financial, Commercial and Industrial Center; and
- Spanish Government Incentives for Foreign Investment.

Traditional Tax Benefits/ Exemptions:

- No customs duty fees on imports or exports.
- No taxes imposed on either the production or importation of consumer goods.
- No commercial taxes imposed on merchandise imported or exported to and from foreign countries.
- Special Regional Tax: these are taxes imposed on certain type of merchandise coming from the mainland and also on luxury items. In no case will this tax exceed 5%. There is also a special tax to protect the local manufacture of products that are also produced in mainland Spain or foreign countries.

Superpriority Status Within the EEC

Unlike mainland Spain which falls within EEC tariff regulations, the Canary Islands enjoy a special relaxation of EEC stipulations to capitalize on its traditional duty free commerce and trade and give impetus to further development on commerce and foreign investments. The main points are:

- No common foreign tax.
- EEC policies regulating agriculture, fishery and commerce do not apply.
- Special tariff to protect the Canary Islands' own industries will continue to apply.
- Free trade of industrial products between the Canary Islands and the members of the EEC, provided that it complies with regulations on origin restrictions.
- Maximum access to all structural funds of the EEC because of its superpriority region status.

Project: Creation of an Off-Shore Financial, Commercial and Industrial Center.

Fishing boats at Las Palmas de Gran Canaria. Fishing is one of the Canary Islands' most prosperous industries.

To capitalize on its strategic geographical location, political stability, excellent network of communications, and dependable labor force, the Canary Islands are actively working to implement the creation of an Off-Shore Financial, Commercial and Industrial Center. It is expected that it will be fully operational by 1990. The main benefits of these off-shore zones will be:

- Reduction of direct taxes. Absence of indirect tax, except for a fee required to obtain a license to operate within the off-shore zones.
- All financial and insurance companies will be able to operate under the same rules governing secret banking.
- Foreign exchange rules will not apply and trading of foreign currencies will be free.
- The location of all industrial zones will be very close to airports and seaports.
- Creation of an International Center for Merchandising and special registry for vessels.

Spanish Government Incentives for Foreign Investment

Foreign investment rules and regulations that apply to investment in the Canary Islands are minimal and are the same as those that apply to all other regions in the mainland. The Spanish Government's open door policy offers attractive tax incentives and benefits. Among them the facility to transfer back to the investor not only the original capital invested but also the benefits derived from the investment.

Agriculture, Fishery and Cattle Sector

The tropical and subtropical climate of the Canary Islands offers an excellent terrain for the cultivation of a large variety of fruits, vegetables and flowers. The production of bananas and tomatoes represents about 50% of the total agricultural production. Prices are very competitive in foreign markets with most products sold to the EEC.

The Canary Islands have one of the richest and largest fish reserves in the world. This, together with its excellent port facilities and a well developed infrastructure for canning and refrigeration, makes this industry one of the most lucrative for the region.

The production of Cattle is a less developed area, but thanks to recent efforts to lessen the dependency on imported meats and dairy products, it is an industry open to new ideas and techniques.

COMMUNICATIONS

Seaports

There are two major international ports: Puerto de la Luz and Palmas. Both offer a well developed infrastructure with 7.5 miles of piers that place them in first place among port facilities in the South Atlantic region. Traffic per year is of 25,000 vessels which handle over 100 million tons of gross weight. One hundred routes link the Canary Islands with Europe, Asia, Africa and the Americas. Fifty maritime lines have their own representatives established in the Canary Islands.

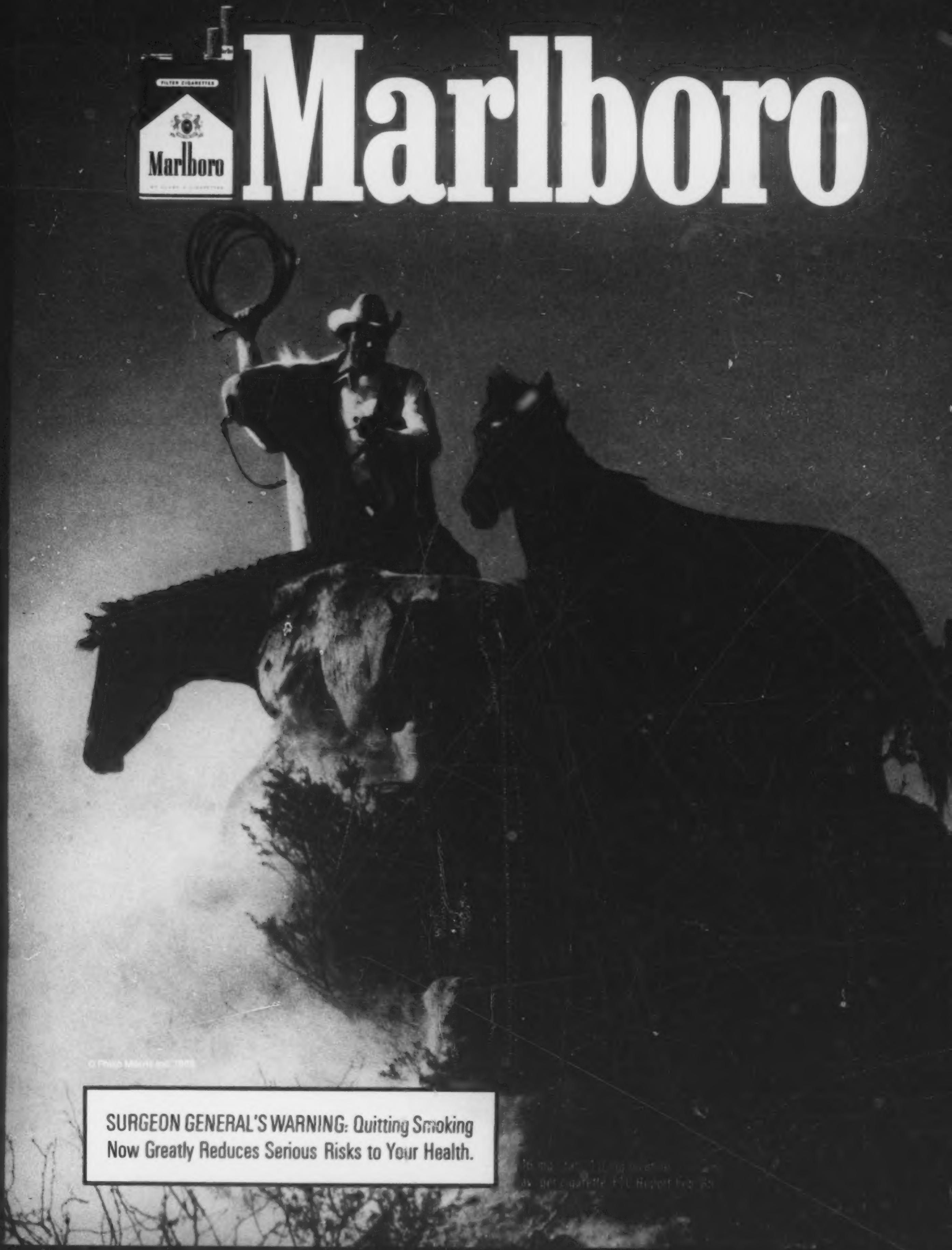
Airports

The international airports of Gran Canaria and Tenerife handle over 100 million passengers per year with a traffic of about 95,000 flights per year. Lanzarote and Fuerteventura also offer direct international connections and La Palma and El Hierro offer flights interconnecting all the seven islands.

Additional Information

The Canary Islands through its agency for development (SOCTCAN) provide if required specific market studies and offer consulting services in the areas of financing and technical expertise.

For specific information please contact any office among the ones listed in this Special Section dedicated to the Canary Islands. ☐


FILTER CIGARETTES
Marlboro
Marlboro

© Philip Morris Inc. 198[illegible]

SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.

CELEBRATING THE CANARY ISLANDS

Our Special Thanks to . . .

Recognition

To our Chamber staff, who have given their best to make this Gala an unforgettable one for all of us

Bonnie Hoskins
Chairwoman, Dinner-Dance

Francisco Jose Alonso
Secretario General
Consejeria de Turismo y Transporte
del Gobierno de Canarias

José Cristóbal García
Asesor Consejeria de Economía
y Comercio del Gobierno de Canarias

Alvaro Urena
Iberia Airlines of Spain

Pilar Vico
Director of Public Relations,
Tourist Office of Spain

Javier Romero
Javier Romero Studios

Tom McConvey
Emery Davis Orchestras

David Thomas
Editor, Bird and Falborn, Inc.

Emil Coccè
Galvanic Printing & Plate Co.

William Spinner
Assistant Director Catering,
The Pierre

Contributions

Mineral water "Cabreiroa"
courtesy of Iberia Foods

Mineral water "Fuensanta"

Door Prizes

Compar
Tourist Office of Spain
Torres Wines
La Cena Fine Foods
Wines of Spain
Freixenet Sonoma Caves
Tourist Board of the Canary Islands
Uniconfis Corp. (S.A. Chupa Chups)
Iota Cosmetics Barcelona

Cigars

Courtesy of Cigarcanaria

Olives

Olives served at the cocktail hour
courtesy of Goya Foods

Photograph Credits

Andrés Palomino
Gerardo Somoza
Tourist Board of the Canary Islands
The White House
Tourist Office of Spain

Wines

Federico Paternina
courtesy of Dreyfus Ashby

Gran Condal
courtesy of Monsieur Henri Wines

Paul Cheneau sparkling wine
courtesy of 21 Brands

Codorniú Brut Clásico
courtesy of Codorniú USA

Gloria Ferrer Cordon Negro
courtesy of Freixenet Sonoma Caves

Viña Monty
courtesy of Osborne USA

Faustino I
courtesy of Palm Bay
Imports/Gallo Wine

Viña Ardanza
Middleton White Imports

Marqués de Caceres
Bodegas Marqués de Caceres

Torres Viña Sol Coronas
Chateau & Estates
Div. House of Seagrams

Licor 43
courtesy of Diego Zamora

Flower arrangements by Fellan

Raffle Prizes

Grand Prizes

Round-trip tickets to Spain
courtesy of Iberia Airlines

Round-trip tickets to Spain
courtesy of
Pan-American World Airways

Round-trip ticket to Spain
courtesy of
Hispanidad Holidays

One week-stay for two at the
Canary Islands (Gran Canaria)
courtesy of
Consejería de Turismo
de las Islas Canarias

One week-stay for two at the
Canary Islands (Tenerife)
courtesy of
Consejería de Turismo
de las Islas Canarias

Three nights bed and breakfast
accommodations for two
Hotel Miguel Angel,
Madrid and

Three nights bed and breakfast
accommodations for two
Hotel Porta Coeli, Sevilla
courtesy of
HUSA Hotels, New York

Majorica pearl necklace
courtesy of Majorica Jewelry, Ltd.

Lladró figurine,
courtesy of Weil Ceramics and Glass

Leather handbag
courtesy of Loewe

Leather handbag
courtesy of Manuel Herrero

Box of silk ties
courtesy of Fumagallis, New York

Ceramic gift
courtesy of Artespaña

Dinner for two
courtesy of Cafe San Martin

Dinner for two
courtesy of Alcala Restaurant

One case of Cider
courtesy of La Cena Fine Foods

Gift-Set
courtesy of Dana Perfumes

Entertaining Tonight. . .

Emery Davis Orchestra

Emery Davis inherited the loyal following among the functions and people who danced to the music of his late father, Meyer Davis, and with the same continuity. A Davis orchestra has played for the Debutante Cotillion Ball since its inception in 1945, and Emery Davis has conducted at every one since 1958. Last year he played at his 19th Tony Awards Ball.

Emery Davis Orchestras provide music for most of the elegant dances and parties on the East Coast. His association with Spain dates to 1976 when he played for the ball in honor of the King and Queen of Spain at the Waldorf Astoria.

"The Wandering Minstrels"

"The Wandering Minstrels" are the musical descendants of Spanish university students of the 13th and 14th centuries who gathered to stroll through the towns of Spain serenading their girlfriends, stopping in cafes or bars and starting impromptu fiestas everywhere they went. Today there are La Tuna groups in every Spanish university and city, and some have wandered far from Spain. In the early 60s an established group came to New York, and in the 70s some decided to stay here and formed an "American Tuna," which eventually became "The Wandering Minstrels." They have added to their authentic Spanish repertoire by entertaining for Italian, Portuguese, Greek, Jewish, German and other communities in New York and learning their songs as well—singing in these and other languages, even including Japanese.

From the Canary Islands

the musical-vocal group

"Brisas Canarias"

("Canarian Breezes")

DUO
Manuel Pérez García
Antonia Suárez Herrera

SOLO
Pino Santana Sarmiento

TRIO
Antonio Almeida Caldero
Francisco José Falcón Naranjo
Orlando Naranjo Socorro

¿Te acuerdas de la última vez que estuviste en Canarias?

Vuelve.

La última vez que estuviste en estas islas tan afortunadas, volviste a reír, a disfrutar, a soñar, a tener paz, a querer.

Vuelve a Canarias. Para tí no será un nuevo destino turístico, para tí serán, tus islas.

Vuelve de nuevo a recordar.

**DIRECCION GENERAL
DE PROMOCION DEL TURISMO**
CONSEJERIA
DE TURISMO Y TRANSPORTES
GOBIERNO DE CANARIAS

FAIRS

La Feria Internacional de Muestras de Valencia

Su principal característica: Su orientación hacia los mercados exteriores

Valencia ha sido, históricamente, una ciudad clave en el comercio internacional. Fenicios, romanos, árabes y judíos conformaron, a partir de su estrategia situación mediterránea, un estilo de comercial ágil y directo que se ha mantenido hasta nuestros días como una tradición.

Hoy, el dinamismo comercial e industrial de Valencia, que avalan las empresas autóctomas y las multinacionales de tecnología más avanzada instaladas en la zona, tiene su reflejo en la Feria de Valencia, la primera feria comercial internacional de España, cuya primera edición tuvo lugar en 1917 y que ahora, setenta años más tarde celebra 30 exhibiciones monográficas internacionales cada año.

La tradicional capacidad exportadora valenciana y, la experiencia y adecuación de sus empresas al comercio internacional, han conformado la principal característica de las Ferias de Valencia: Su orientación hacia los mercados exteriores.

Sectores productivos ubicados en Valencia como cerámica, mueble, téxtil, juguete, lámparas, horticultura, agricultura, moda infantil etc. son pioneras y líderes de ventas al exterior. El respaldo que estos sectores dan a las ferias ha posibilitado que varios de los certámenes estén considerados entre los principales a nivel mundial y con más de veinte años ininterrupidos de celebración.

Año tras año, se reunen en Valencia fabricantes y compradores de distintos sectores económicos a nivel mundial, la clave del éxito está en la representatividad internacional de cada certamen, la marcada profesionalidad de todas las ferias, la experiencia organizativa y los medios con que cuenta Feria Muestrario Internacional de Valencia.

El ingreso de España en la CEE ha repercutido positivamente en la actividad de F.M.I. porque significa una ampliación del mercado unida al progresivo desarme arancelario va a posibilitar una mayor intensificación y fluidez en los intercambios comerciales. Para las Ferias en concreto, el Mercado Común y las nuevas reglas de juego que impone representan un aumento y una mayor flexibilidad en las relaciones económicas, llegando, si cabe, a una mayor internacionalización de los intercambios. Sin embargo, este nuevo marco va a exigir una mayor especialización y profesionalización de las ferias y sus equipos humanos y técnicos, dado que, a partir de la integración total en 1992 vamos a tener que competir con igualdad de medios y oportunidades con otros 11 países.

El estar preparado para todos los cambios que se avecinan ha sido el motivo fundamental que ha impulsado las acciones de F.M.I. en los últimos años. Estos cambios han perseguido dos metas primordiales: lograr unas instalaciones bien comunicadas versátiles, modernas y acogedoras y, organizar ferias marcadas por la internacionalidad y profesionalidad. Ello ha conducido a que actualmente la Feria de Valencia cuente con las mayores y más modernas instalaciones de España y que las ferias que se celebran sean salones monográficos muy especializados, con gran prestigio internacional, con el fin primordial lograr transmisión tecnológica e intercambio en aspectos como el diseño y la moda, sin olvidar el carácter marcadamente comercial que debe definir toda manifestación Ferial.

Estos factores, unidos al desarrollo creciente de otras actividades económicas, hacen que, a medida que cambia la estructura interna del aparato productivo, se vaya ampliando y diversificando la oferta de certámenes que realiza Feria Muestrario Internacional de Valencia.

Nuestra obligación como profesionales de la gestión ferial es saber dar respuesta a esas demandas crecientes, y para ello no hay más camino que la profesionalización permanente, la especialización activa y constante, las mejoras de gestión organizativa y la innovación e inventiva aplicada a la gestión empresarial.

La Feria de Muestras Internacional de Valencia ha comprometido su esfuerzo y empeño en una mejora constante para poner a su disposición uno de los mejores recintos feriales del mundo. ¡Esperamos su visita! ☐

FINANCE

Financial Women's Association to Explore Spanish Investment Scene

Delegation will interview business and government leaders, investigate banking in Spain.

Attracted by the opportunities for investment in Europe's fastest growing economy, the Financial Women's Association of New York will be meeting with business and government leaders in Madrid during the week of May 22-27. A 32-year-old professional association of nearly 600 women and men in the Wall Street community, the FWA has sent delegations in previous years to London, Paris, Tokyo, Beijing, and Hong Kong to explore financial markets and opportunities for investment.

While in Spain, the group expects to meet with the Secretary of State and the Economy, the Chairman of the Central Bank, the American Ambassador, and a representative of the European Economic Community. Programs on joint investment ventures will include a meeting with the Chairman of Nestle Spain; investigation of the trend toward privatization will include discussions with representatives of Telefonica and others. The banking scene will be investigated, with spokespersons from both Citibank and Spanish banks. A number of other events are also scheduled, including a program on prospects for working in the Common Market.

A few places in the delegation may be open to non-members. Interested parties should contact the Executive Director of the FWA, Nancy Sellar, at (212) 533-2141. ☐

Above and right, L to R: Ambassadors Julián Santamaria and Manuel Sassot; José Antonio Segurado; Arturo Garcia Tizón; Antonio Hernández-Mancha. Below: José Ferrer

Maurice Cusack, Ricardo Jové

Luis Benítez de Lugo, Mariano Rubio

CHAMBER IMAGES
1987-1988

Luis Benítez de Lugo, Joseph Sanchez

Los Becarios de la Cámara

Francisco J. Garcia-Lillo, Jaime Caruana, Mercedes Lamamie, Joaquín de la Infiesta, Miguel Sebastiá

Left: Trade Delegation from Asturias; Above: Felipe Propper de Callejón, Gaston Butler, Alfonso G. Escalera

Below: Joaquin de la Infiesta, Xavier Serrado, Antonio Campos, Juan C. Recoder, Agustin Nuñez, José Peces

Andrés de Souza Iglesias

José Campos, Antonio Escamez, Manuel Pinto (whose untimely death saddened us all), Fernando Aleu

José Ibañez, Ignacio Eguiluz, Mr. Colón, Joseph Unanue

Senén Florensa, Miguel Sebastiá, Aplonio Ruiz Ligero, Luis Benitez de Lugo, Joaquin Molins, Antonio Camuñas

Above: Frederick Tetzeli
Right: Carlos Collado Mena

Ambassador Manuel Sassot, Luis Angel Rojo, Luis Benitez de Lugo, Inmaculada de Habsburgo, Miguel Sebastiá

Fernando Aleu, Minister Abel Caballero

Donald E. Peterson, Miguel Sebastia

Pilar Vico (left) and guests

Right, the Chamber staff: (L to R) Maria Miguelez, Xavier Serrado, Melinda Popiel (seated), Miguel Sebastiá, Maria Rotondo, Blanca Gari (seated), José Marquina, Asunción Iglesias, Conchita Iglesias, Antonio Camuñas

The European Economic Situation and Outlook

The stock market crash has not done the expected damage, but persistent slow growth is still a major problem

The October 1987 stock market crash has not damaged the European economy as much as expected at the end of last year, according to a new economic report approved by European Community Finance Ministers.

The Community's 1988 economic growth forecast has been revised downward by half a percentage point—to slightly under 2 percent. Unemployment is expected to remain unacceptably high at 11½ percent. The average inflation rate for 1988 is projected at slightly above 3 percent.

The Commission report calls for efforts to stabilize the dollar's exchange rate and to increase the Community's internal demand to help correct international payment imbalances. A summary of the report, which updates the 1987-88 annual economic report released last fall, follows.

IMPORTS OF GOODS (% CHANGE AT CONSTANT PRICES ON PRECEDING YEAR, EC, USA, JAPAN, 1972-1988)

	1972 - 1982	1983	1984	1985	1986	1987	1988
Belgium	4.0	−.9	6.2	.1	9.2	5.5	3.3
Denmark	1.2	3.2	6.8	8.4	6.4	−4.1	−1.0
F.R. Germany ...	3.7	2.5	6.6	5.2	3.8	4.5	3.5
Greece	5.2	9.4	−.1	28.8	4.2	3.0	6.0
Spain	5.1	−.1	−1.0	5.8	16.9	21.5	14.5
France	7.0	F2.7	2.0	4.3	7.1	6.9	4.5
Ireland	5.1	4.5	10.5	3.1	3.5	7.3	6.0
Italy	4.7	−1.9	10.8	4.4	7.5	7.7	6.5
Luxembourg	1.7	1.9	16.9	6.6	5.0	2.6	2.7
Netherlands	2.6	4.5	5.4	6.2	3.1	4.3	3.0
Portugal	—	−7.2	−2.7	3.0	10.9	24.2	10.5
United Kingdom .	2.9	8.4	11.0	3.4	6.5	7.8	5.6
Europe	4.1	1.9	6.8	4.8	6.8	7.4	5.4
USA	—	13.1	24.4	5.4	13.9	5.5	1.5
Japan	—	1.2	10.8	−1.9	10.6	3.7	8.7

The World Economy

The 1988 growth forecast for the United States has been revised downwards to roughly 2 percent. Growth is expected to remain in the order of 3½ percent in 1988 in Japan, 4½ percent in the developing countries and below 2 percent in members of the Organization of Petroleum Exporting Countries.

U.S. real exports of goods and services increased by 12¾ percent in 1987 and should grow by more than 16 percent this year. This contracts with an increase in imports of only 7 percent in 1987 and a mere 1½ percent import growth expected for 1988.

EXPORTS OF GOODS (% CHANGE AT CONSTANT PRICES ON PRECEDING YEAR, EC, USA, JAPAN, 1972-1988)

	1972 - 1982	1983	1984	1985	1986	1987	1988
Belgium	4.3	2.4	6.5	1.0	5.9	4.5	3.0
Denmark	4.9	7.7	5.4	4.6	.1	1.5	2.0
F.R. Germany ...	5.5	−1.0	8.5	7.9	−.4	.4	1.0
Greece	8.4	14.2	21.4	−.1	16.9	−5.0	.5
Spain	9.5	10.2	13.6	3.0	−3.5	6.7	4.0
France	6.8	3.6	7.0	2.0	−.3	1.7	3.0
Ireland	7.9	12.0	17.6	6.7	3.8	15.8	8.5
Italy	6.6	4.0	7.9	2.7	5.0	.7	2.4
Luxembourg	.0	4.0	22.1	11.6	2.1	.1	1.6
Netherlands	4.3	4.6	7.6	6.0	.0	4.2	3.1
Portugal	—	22.8	15.2	10.7	8.8	10.1	5.9
United Kingdom .	3.9	1.8	8.4	5.5	3.7	[illegible]	2.4
Europe	5.5	2.8	8.4	4.7	1.9	3.0	2.5
USA	—	−3.0	7.8	3.3	7.7	15.3	16.3
Japan	—	8.7	16.0	4.0	−2.0	−3.0	−.8

However, balances in value terms are slow to adjust because of variations in the terms of trade caused by changes in exchange rates. In 1988 the United States; current external dificit is expected to remain slightly above 3 percent of Gross National Product (at $140 billion). It should still stand at close to $130 billion (2¾ percent of GNP) in 1989. Japan's current surplus as a percentage of GNP could gall from 3.4 percent in 1987 to 2.8 percent in 1988, but will remain roughly constant in dollar terms, close to $80 billion.

Outlook for the Community

The Commission services have revised down their forecasts for average growth in the Community by half a percentage point—to slightly under 2 percent in 1988. Growth should again be close to 2 percent in 1989. The main factors accounting for this outlook are:

- The decline in the growth of domestic demand by about three-quarters of a point compared with 1987. Private consumption will be affected by a worsening in the climate of consumer confidence and by slower growth of personal incomes. Investment

(CONTINUED ON PAGE 76

VALENCIA 1988

Fairs of Valencia: the gateway to foreign trade

TEXTILHOGAR'88:
19th-23th january
19th. International Fair of Home Textiles and Decoration.

FIMI (Autumn/Winter 88-89):
29th-31th january
26th. International Fair of Children's and Young People's Fashion.

GELAT'88:
3th-8th february
9th. Fair of Ice-Cream Craftsmanship.

FEJU'88:
11th-16th february
27th. International Toy Fair.

DIPA'88:
12th-16th february
16th. International Fair of Stationery.

FIVAC'88:
26th-29th february
1st. Valencia International Trade Show for Arms and Hunting.

CEVISAMA'88:
27th february-2nd march
6th. International Exhibition of Ceramics, Glass, Marble, Surface Facings for the Building Industry, Sanitary Ware and Fittings, Raw Materials and Machinery.

CEVIDER'88:
13th-18th april
24th. International Fair of Ceramics, Glass and Decorative Articles.

FIAM'88:
13th-18th april
23rd. International Fair of Lighting Fixtures, Accessories and Decorative Articles.

FIAM'88:
13th-18th april
23rd. International Fair of Jewellery, Watchmaking, Gold and Silver Work and Imitation Jewellery.

HABITAT 1:
13th-18th april
1st. Interior Design and Decoration Show.

INTERARTE'88:
28th april-2nd may
5th. International Fair of Modern and Contemporary Art.

FIV'88:
7th-15th may
66th. Valencia International Trade Fair.

DROGUEXPO MUNDOBELLEZA'88:
14th-17th may
6th. International Fair of Druggists and Perfumery.

EXPOFARMACIA'88:
26th-29th may
5th. International Congress and Exhibition of Pharmaceutical Specialities.

FIMI (Spring/Summer 89):
14th-16th july
27th. International Fair of Children's & Young People's Fashion.

FIM'88:
20th-25th september
25th. International Furniture Fair.

INTERMUSIC'88:
6th-9th october
7th. International Music Fair.

ANTICUARIOS'88:
8th-16th october
5th. International Antique Fair.

MERCAFILM'88:
1st-15th october
5th. Mercafilm, Video and TV.

IBERFLORA'88:
19th-23th october
17th. International Fair of Horticulture, Equipment, Sundries and Machinery.

EUROAGRO'88:
19th-23th october
5th. International Fair of Agricultural Production, Marketing and Transformation. Indutrans.

EXPOFRIO'88:
19th-23th october
2nd. Fair of Cooling Systems.

EVENT'88:
29th-31th october
6th. International Fair of Professional Cosmetic.

VINCI'88:
14th-18th november
1st. European Auxiliary Industry and Cooperation Fair.

INDUFERIAS'88:
15th-18th novembre
5th. International Exhibition for Fair and Playground Equipment, Gambling Machines and Accessories.

EXPOJOVE'88:
26th december-4th january
8th. Youth Fair.

FIMMA MADERALIA'89:
24th. International Fair of Woodworking Machinery and Complements for the Furniture, Wood, Carpentry and Locksmith's craft Industry.

EXPOCARNE'89:
8th. International Fair of Meat Industries.

MAICOP'90:
8th. International Fair of Bakery, Pastry, Icecream and Related Industries.

INFORMATION: FERIA MUESTRARIO INTERNACIONAL DE VALENCIA
Avda. de las Ferias, s/n. Apartado 476 - 46080 VALENCIA (ESPAÑA)
Tels. (96) 364 10 11 - Télex 62435 FERIA-E - Fax (96) 36 36 111
Dirección Telegráfica: Ferario

Valencia
International
trade center

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Upper Manhattan
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(Ellery St.)
Williamsburgh
(718) 388-6100

Queens
82-09 37th Avenue
(82nd St.)
Jackson Heights
(718) 803-3600

Bronx
429 East Tremont Ave.
(Park Ave.)
(212) 299-8000

New Jersey
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Loan Production Office
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Suite 300, West New York
(201) 861-1414

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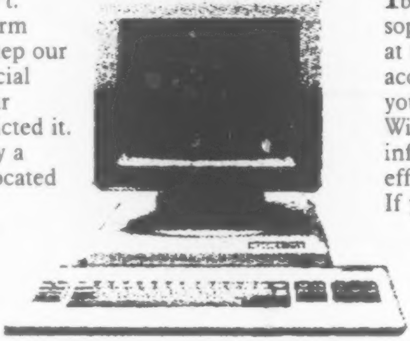

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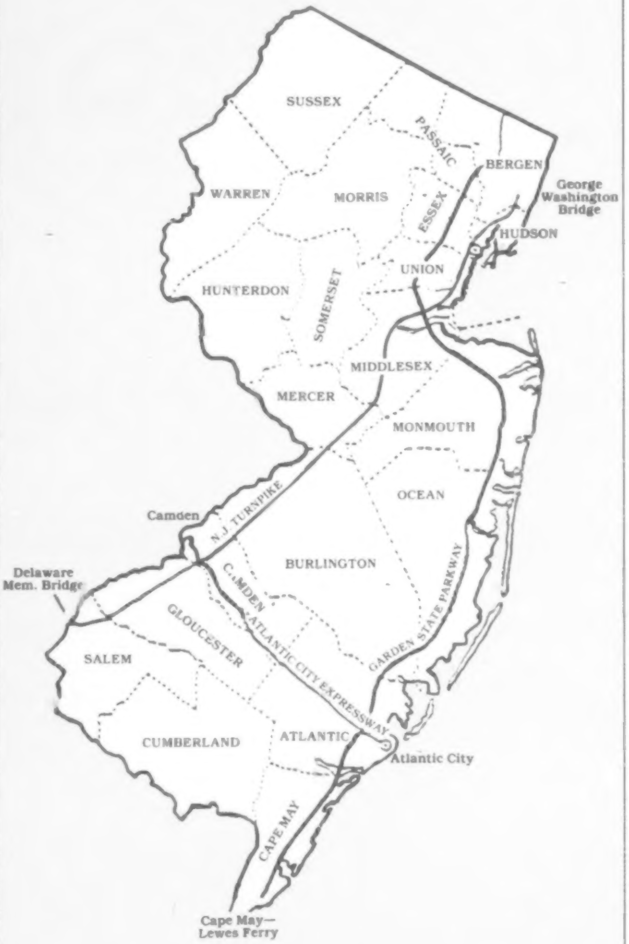
INFORME ESPECIAL

New Jersey: El Estado Jardín (y II)



Por Felipe Roca

Análisis de su Economía

Durante el año de 1987, New Jersey sobrepasó los índices económicos nacionales y entró en su sexto año consecutivo de expansión. La tasa de empleo no agrícola aumentó en 84,000 nuevos trabajos y la venta y construcción de propiedad raíz continuó creciendo. Estos factores contribuyeron a que su índice de desempleo fuera el más bajo del país—menos del 4 por ciento—a un incremento en su entrada per cápita en más de un 3 por ciento y a la creación de más fuentes de trabajo.

De 1982 a 1987, la fuerza laboral en New Jersey aumentó en un 13.6 por ciento, que se tradujo en 450.000 nuevos empleos comparados con el índice nacional que fue del 11 por ciento. El número de deseempleados bajó en un 40 por ciento.

Durante el año fiscal de 1986-1987, New Jersey sobrepasó al resto del país en muchos campos: la entrada personal de 135 billones de dólares a 143, o sea un aumentó del 6.3% comparado con el de la nación que fue del 5.7%. En términos de dinero, la entrada per capita fue de $18.736.00 comparado con el del promedio nacional que fue de $14.490.00, colocándolo entre los tres estados de mayor entrada por persona.

Las ventas al detal y de propiedad raíz fueron también positivas. Las primeras aumentaron en un 8.5% y la construcción de casas triplicó en más de 65.000 unidades.

Estas estadísticas confirman lo que muchos altos ejecutivos sabian de antemano: el Estado Jardín goza de una economía vibrante y de un clima favorable conducivos a un permanente crecimiento y desarrollo.

Aún cuando el éxito de New Jersey en su atracción hacia nuevos negocios se atribuye a su ubicación en el llamado Corredor Noroeste, a su extensa red de transporte y a su gran mercado de consumo, diseñados éstos para ayadar a nuevas empresas en su búsqueda de mejores sitios de trabajo y ubicación. Como un ejemplo se puede citar la relocalización de la Collins Company de la República de Taiwan que está ahora ubicada en la Zona Libre de Mount Olive. La Collins es fabricante de artículos de consumo para el hogar, muebles, equipos deportivos y juguetes. La firma vende anualmente 460 millones de dólares y provee a las cadenas de almacenes de consumo popular más grandes de los Estados Unidos. Sus nuevas facilidades disponen de 161 mil pies cuadrados de distribución, 60 mil pies cuadrados de exhibición y 25 mil pies cuadrados de espacio para sus oficinas.

New Jersey dispone de la tercera concentración más grande en el país en cuanto a la ubicación de oficinas principales de grandes corporaciones norteamericanas, ocupa el séptimo lugar en inversiones extranjeras con más de mil compañías localizadas en el Estado Jardín y en cuanto al arribo de nuevos negocios, su aumento es el doble de los demás estados de la Unión.

Collins es la séptima compañía que se ha localizado en la Zona Franca y entre sus otros ocupantes podemos mencionar a la Hattori y Kenwood Corporation de Japón, la BMW, la Quest International de Holanda, EAC Graphics de Dinamarca, y la SKC de Corea del Sur. De otros estados, un número significativo de empresas se están mudando a New Jersey, tales como: American Reinsurance, U.S. Life, Atlantic Mutual Insurance, Atlantic Container Line, Maersk, Nippon Yusen Kaisha, Nedlloyd Lines, y Singer Company, por nombrar unas cuantas.

Comercio Internacional: New Jersey exportó en 1987, más de 5 billones de dólares colocándose en el décimo lugar entre los estados exportadores del pais. La División de Comercio Internacional del Estado trabajando conjuntamente con el Departamento de Comercio de los Estados Unidos participó en 11 exhibiciones internacionales fuera del país, incluyendo la Exhibición *de Telecommunicaciones* en New Delhi, el de Equipos de Construcción en Moscú y el Show Aéreo de París. El Estado ofrece ayuda financiera hasta 100 mil dólares a firmas pequeñas y medianas que entran al mercado internacional por primera vez. La Universidad de Rutgers va a iniciar cursos de idiomas y exportaciones, estos últimos dedicados a industrias específicas tales como la electrónica y el papel. Se han abierto oficinas en Tokio y muy pronto en Taiwan. Se van a crear ciudades hermanas con la Provincia de Zhejiang en la República Popular China, en Israel y Corea del Sur. En cuanto al monto de las inversiones extranjeras, más de 811 billones de dólares ha recibido el Estado por parte de más de mil firmas que dan empleo a 153 mil trabajadores.

Industria de Alta Tecnología: a finales del año pasado los primeros Córsicas de la Chevrolet y Berretas fueron exportados al Japón que salieron de las líneas de ensamble de la General Motors fabricados por ingeniería de robots. En esta forma, New Jersey de nuevo juega un papel importante en el mundo de la alta tecnología: desde el Siglo XIX cuando Edison inventó la bombilla y la *cámara de películas*, en donde Selman Waksman descubrió la estreptomicina y los científicos de los Laboratorios Bell inventaron el transistor, New Jersey ha estado siempre entre los primeros. El Estado está en primer lugar en disponibilidad de fondos privados para la investigación y desarrollo—un 10% del total gastado en la nación se dedica a New Jersey—que ocupa el cuarto lugar como *sede de* empresas de alta tecnología y el tercero en número de patentes. Utilizando fondos otorgados por el Estado, se han creado 4 centros industriales de investigación: Administración de Desperdicios Tóxicos, Investigación de la Cerámica, Tecnología Avanzada de Alimentos, y Biotecnología y Medicina.

Turismo: La industria del Turismo representa para New Jersey más de 13 billones de dólares anuales: por ejemplo, los centros veraniegos al sur del Estado fueron visitados por cerca de 9 millones de personas que dejaron cerca de 7.7 billones de dólares.

Un viaje a New Jersey hoy en día no es completo si no se visita el Complejo Deportivo de Meadowlands en donde juegan Fútbol americano los Jets y los Giants y los torneos de baloncesto intercolegiados se hacen presentes. New Jersey también tiene los Hipódromos más grandes después de Nueva York y California, y Atlantic City sigue siendo la atracción más importante en su ofrecimiento de playas y casinos en donde el año pasado se dieron cita más de 29 millones de personas. Los casinos proveen empleo a más de 42 mil trabajadores generando una entrada de 2.5 billones de dólares que han contribuido en 1.2 billones de dólares para la ayuda a los ancianos y minusválidados.

Agricultura: Mucha gente se sorprende al saber que la Agricultura es la tercera industria del Estado: segundo productor nacional de moras, tercero en fresas y melocotones y cuarto en espárragos. El Estado dispone de 850 millones de dólares para ayuda a los granjeros y el Centro Educativo de Cook College va a iniciar estudios de alta tecnología que se adapten al trabajo de la tierra.

MERCADOS PRINCIPALES EXTRANJEROS DE CARGA GENERAL SALIDA POR EL PUERTO DE NUEVA YORK Y NEW JERSEY (VIA MARITIMA)

Mercado	Toneladas 1986	Toneladas 1985
Taiwan	303,187	225,636
Corea	221,319	135,574
Italia	149,574	151,897
Reino Unido	111,105	123,723
Japón	106,174	97,812
India	93,885	108,115
España	93,547	136,234
Alemania Occidental	84,111	66,474
Holanda	74,4534	82,190
Francia	74,355	71,883
Arabia Saudita	72,827	100,956
Hong Kong	72,204	65,389
Republica Popular China	70,692	48,970
Bélgica y Luxemburgo	65,925	59,257
Brasil	64,376	58,000
Tailandia	60,245	37,772
Bermuda	45,913	44,050
Australia	43,984	34,656
Israel	33,113	30,570
Singapore	32,008	32,465

IMPORTACIONES ENTRADAS AL PUERTO DE NUEVA YORK Y NEW JERSEY POR VIA MARITIMA

Mercado	Toneladas 1986	Toneladas 1985
Japón	1,247,027	1,160,336
Alemania Occidental	1,003,399	937,484
Italia	858,846	855,986
Taiwan	707,500	614,041
Brasil	582,529	620,641
Francia	546,565	560,389
Holanda	495,984	461,876
Reino Unido	490,910	455,905
Ecuador	461,156	349,852
Canadá	362,839	304,294
Corea	347,407	260,309
España	338,295	314,007
Rumania	251,651	354,939
Republica Popular China	194,172	179,441
Bélgica y Luxemburgo	182,187	153,803
Hong Kong	177,046	174,065
Suecia	166,620	182,401
Colombia	135,934	233,054
India	130,575	109,867
Malasia	128,493	127,166

Principales Productos de Exportación en New Jersey:

- Agrícolas
- Químicos y derivados
- Alimenticios
- Maquinaria no eléctrica
- Maquinaria eléctrica y electrónica
- Instrumentos científicos
- Productos depapel
- Petroleo refinado y derivados
- Productos de caucho y plástico
- Productos de metal primario
- Equipos de transporte
- Desperdicios y deshechables

Transporte: El Estado de New Jersey dispone de 35 mil millas de carreteras y autopistas interestatales. De acuerdo a las estadísticas del Departamento de Transporte, 123 millones de vehículos recorrieron 12.9 billones de millas en los primeros 6 meses de 1987. Cerca del 10% de la población de los Estados Unidos vive a 50 millas del centro de New Jersey, lo que significa que sus carreteras no sólo son utilizadas por sus habitantes sino también por los motoristas de Nueva York, Pensilvania y Delaware.

El Aeropuerto Internacional de Newark es el de más rápido crecimiento en todo el país y se estima que llegará a ser el de mayor tráfico aéreo. En 1983, existían menos de 12 helipuertos y hoy hay más de 400. Debido a su ubicación, New Jersey es también servido por el Aeropuerto de La Guardia y el John F. Kennedy de Nueva York y el Internacional de Philadelphia.

Puertos Marítimos: hacia el Oriente se encuentran los Puertos más grandes del mundo controlados por la Autoridad del Puerto de New York y New Jersey. En New Jersey está el Puerto de Elizabeth (el más grande del mundo en el manejo de furgones—*containers*) y al oeste el del Río Delaware que tiene una extensión de 135 millas. En 1987 un total de 6.032 barcos que arribaron, cargaron y descargaron 57 millones de toneladas, lo que representó un aumento del 11.5% en relación con el año anterior. El valor de la carga declarada ante la Aduana fue de 49.5 billones de dólares, sobrepasando de esta manera el record de 49.3 billones de dólares establecido anteriormente. Las importaciones en su gran mayoría fueron bebidas alcohólicas, bananas, automóviles y otros vehículos.

Industria: New Jersey ocupa el primer puesto del país en investigación farmacéutica, segundo en productos químicos, tercero en máquinas de oficina, cuarto en procesamiento de datos, quinto en caucho y plásticos, séptimo en petroleo refinado y productos de carbón, noveno en maquinaria eléctrica y productos de cuero y décimo en produccióhes cinematográfica y televisivas.

Principales ciudades en New Jersey y número de habitantes:

Newark	317,000
Jersey City	219,300
Paterson	136,400
Elizabeth	106,300
Clifton	75,000
Dover	74,100
Bayonne	63,500
New Brunswick	41,500

El estado cuenta con 7,618,000 habitantes, una superficie de 7,500 millas cuadradas y 21 condados. Su capital es *Trenton*, con 92,500 habitantes. New Jersey limita al norte y, noroeste con Nueva York, al este con Nueva York y el Oceano Atlántico, al sur con el Oceano Atlántico y la Bahía de Delaware y al occidente con Delaware y Pensilvania.

Población y Compañías Hispanoamericanas en New Jersey:

Existen más de siete mil compañías hispanas en el Estado con ventas por más de medio billón de dólares anuales y su población es una de las de más rápido crecimiento

EXPORTACIONES SALIDAS DEL PUERTO DE NEW YORK/NEW JERSEY POR VIA AEREA

	Toneladas	
País	**1986**	**1985**
Reino Unido	34,452	33,076
Japón	26,356	21,383
Alemania Occidental	24,918	24,504
Francia	18,683	19,267
Italia	14,248	12,067
Holanda	12,084	13,703
Brasil	12,018	9,509
Suiza	8,860	6,741
Israel	8,712	8,582
Corea	6,561	4,292
Hong Kong	5,911	5,397
Dinamarca	5,779	5,176
Bélgica y Luxemburgo	5,702	5,493
España	5,612	5,527
Taiwan	5,363	4,406
Suecia	5,253	4,968
Arabia Saudita	5,143	7,485
Singapore	4,839	3,694
India	4,751	3,775
Irlanda	4,179	4,738

IMPORTACIONES LLEGADAS AL PUERTO DE NEW YORK/NEW JERSEY POR VIA AEREA

	Toneladas	
País	**1986**	**1985**
Italia	48,484	58,606
Alemania Occidental	43,749	63,754
Hong Kong	40,956	40,201
Reino Unido	32,768	42,003
Japón	31,709	47,254
Taiwan	31,019	26,746
Corea	24,449	20,138
Francia	23,134	33,057
India	18,718	19,191
Brasil	18,261	24,721
Holanda	18,186	24,025
Republica Popular China	17,425	8,369
Suiza	14,946	20,077
España	9,067	13,369
Noruega	8,971	7,269
Israel	7,036	8,104
Suecia	6,336	8,459
Turquia	5,991	3,529
Bélgica y Luxemburgo	5,702	7,888
Filipinas	5,161	5,063

ORGANISMOS DE INTERES EN NEW JERSEY

U.S. Department of Commerce
International Trade Administration
3131 Princeton Pike
Bldg. 6, Suite 100
Trenton, NJ 08648
Teléfono: (609) 989-2100

Associate Office
368 Paramus Road
Paramus, NJ 07652
Teléfono: (201) 447-9624

New Jersey Small Business
Development Center
Rutgers Graduate School
of Management
180 University Drive
Newark, NJ 07102
Teléfono: (201) 648-5950

New Jersey Department of Commerce
and Economic Development Division
of International Trade
744 Broad Street, Suite 17009
Newark, NJ 07102
Teléfono: (201) 648-3518

New Jersey Department of Agriculture
Division of Markets
John Fitch Plaza
CN 330
Trenton, NJ 08625
Teléfono: (609) 292-8853

New Jersey District Export Council
c/o U.S. Department of Commerce
U.S. and Foreign Commerical Service
3131 princeton Pike Suite 100
Trenton, NJ 08648
Teléfono: (609) 989-2100

International Trade
U.S. Small Business
Administration
60 Park Avenue
Newark, NJ 07102
Teléfono: (201) 645-6064

The Port Authority of New York &
New Jersey
Port Sales
Room 64-E
1 World Trade Center
New York, NY 10048
Teléfono: (212) 466-8333

World Trade Institute
1 World Trade Center
New York, NY 10048
Teléfono: (212) 466-4044

Delaware River Port Authority
World Trade Division
P.O. Box 1949
Camden, NJ 08101
Teléfono: (609) 963-6420

International Trade Center/
New Jersey Foreign Trade Zone
169 Route 206
Flanders, NJ 07836
Teléfono: (201) 347-9100

World Trade Association
of New Jersey
New Jersey State Chamber of
Commerce
Five Commerce Street
Newark, NJ 07102
Teléfono: (201) 623-7070

International Trade Round Table
Bergen Community College
400 Paramus Road
Paramus, NJ 07652
Teléfono: (201) 477-7167

International Business Council
c/o Mercer County Division of
Economic Development
Administration Building
P.O. Box 8068
Trenton, NJ 08650
Teléfono: (609) 989-6555

Foreign Trade Group
County College of Morris
Community Service Program
Route 10 & Center Grove Road
Randolph, NJ 07869
Teléfono: (201) 361-5000

Resource Center for International
Trade Education
Middlesex County College
Edison, NJ 08818
Teléfono: (201) 548-6000

BANCOS DE NEW JERSEY QUE DISPONEN DE SERVICIOS INTERNACIONALES

Barclays New Jersey Corporation
6 Becker Farm Road
Roseland, NJ 07068
Teléfono: (201) 533-1370

Barclays New Jersey Corporation
1000 Herrontown Road
Princeton, NJ 08540
Teléfono: (609) 683-0100

Horizon Bank
225 South Street
Morristown, NJ 07970
Teléfono: (201) 285-2050

First Fidelity Bank
515 Union Boulevard
Totowa, NJ 07511
Teléfono: (201) 790-2000

First Fidelity Bank
10 Forest Avenue
Paramus, NJ 07652
Teléfono: (201) 368-7281

First Fidelity Bank
213 Washington Street
Newark, NJ 07102
Teléfono: (212) 430-4000

First Fidelity Bank
550 Broad Street
Newark, NJ 07102
Teléfono: (201) 565-3200

National Community Bank
of New Jersey
24 Park Avenue
Rutherford, NJ 07070
Teléfono: (201) 845-1523

Midlantic National Bank
499 Thornall Street
Edison, NJ 08818
Teléfono: (201) 321-8224

National State Bank
of New Jersey
68 Broad Street
Elizabeth, NJ 07207
Teléfono: (201) 354-3400

New Jersey National Bank
One West State Street
Trenton, NJ 08603
Teléfono: (609) 989-5000

New Jersey National Bank
1075 Easton Avenue
Somerset, NJ 08873
Teléfono: (201) 249-3552

New Jersey National Bank
Route 70, Sawmill Road
Cherry Hills, NJ 08034
Teléfono: (609) 429-1211

United Jersey Bank
210 Main Street
Hackensack, NJ 07602
Teléfono: (201) 646-5240

First Jersey National Bank
1 Exchange Place
Jersey City, NJ 07303
Teléfono: (201) 547-7193

Midlantic National Bank/North
One Garrett Mountain Plaza
West Paterson, NJ 07424
Teléfono: (201) 881-5287

en todo el país. Más de 600,000 hispanos residen en New Jersey, representando más del 9% de la póblación total.

Entre las firmas hispanas de mayor importancia se puede citar Cafe Pilón, Inc. en Hackensack que distribuye café al por mayor con un aumento en sus ventas del 386% entre 1982 y 1985. La compañía fue fundada en 1981 y sus ventas sobrepasan los 5 millones al año.

La Economica Wholesale Grocers of Perth Amboy tuvo un aumento en sus ventas del 136% entre 1981 y 1985. Fundada en 1975 sus ventas anuales están por encima de los 13 millones de dólares.

J. Cardona Corporation en Newark, es una Agencia de Viajes, Seguros y Mudanzas que aumentó sus ventas en un 131% entre 1981-5 sobrepasando los dos millones anuales.

De las 100 firmas hispanas más importantes, 26 son fabricantes, 25 compañías de servicio, 12 están en el negocio de la construcción y venta al por mayor, 6 en la industria de los alimentos, 5 son financieras y de transporte y 3 en otros campos comerciales.

El Gobierno Estatal dispone de un departamento hispano para ayudar a las compañías e industrias hispanas con el fin de que éstas se aprovechen de los muchos programas federales, estatales y privados para sus programas de expansión. Sus funcionarios viajan constantemente por todo el Estado, para trabajar conjuntamente con industriales y organizaciones profesionales en establecer contactos, organizar seminarios y explicar la misión de la Oficinas de Asuntos Hispanos. Como resultado de su trabajo se han creado una cantidad de empleos en beneficio de la Comunidad Hispanoamericana.

Conclusión: El clima favorable de New Jersey se puede comparar con el mejor de cualquier otro estado de la Nación. En un estudio que se efectuó recientemente, el 80% de los que lo contestaron dijeron que New Jersey es un excelente sitio para vivir y trabajar. El Estado dispone de excelentes playas, magníficas facilidades deportivas y más lugares históricos que cualquier otro lugar del país. Es un hecho que New Jersey tiene mucho que ofrecer a sus residentes y visitantes lo que le ha hecho ocuparel quinto lugar como zona turístico.

Ningún otro Estado ha llevado a cabo tantos programas de desarrollo económico en tan poco tiempo que continuarán con la creación de más trabajo y para atraer nuevas empresas en donde disponen de terreno y facilidades para la expansión y comercialización de sus productos. New Jersey no es ya el Estado perdido en las sombras de Nueva York y Filadelfia, sino al contrario, es el sitio lleno de dinamismo sano con un futuro sin límites. ☐

FELIPE ROCA estudió Comercio Internacional en la New York University, obteniendo un Master in Business Administration. También ha estudiado Latin American Marketing en el Foreign Service Institute de Washington, D.C.

El Sr. Roca tiene amplia experiencia gerencial y de ventas adquirida en Bendix International Co. como Jefe de Ventas para Latinoamerica y en B.F. Goodrich Corp.

En la Administración de Mercados Internacionales del departamento de Comercio de los Estados Unidos, ha trabajado como funcionario comercial, asistente del director de exhibiciones, director del pabellón USA en Bogota, Colombia, asesor de comercio internacional, director de iniciativa de la cuenca del Caribe para el estado de New Jersey, así como Profesor de Mercados Internacionales para Bergen Community College del estado de New Jersey.

LAS COMPAÑIAS MAS IMPORTANTES DE NEW JERSEY

1—Nombre de la Compañía. 2.—Número de Empleados en New Jersey (1986).
3—Cifra total de ventas de la Cía durante el último período analizado. ($ Millones)

1	2	3
AT&T Company	50.000	34,910
New Jersey Bell	20.600	2,504
Supermarkets General Corp.	18.912	5,200
Prudential Insurance Co.	17.500	14,865
RCA Corporation	17,500	8,970
Sears, Roebuck & Company	15,368	4,070
Johnson & Johnson	14.000	5,421
Public Service Electric & Gas	13.668	4,409
Bamberger's/R.H. Macy	13.000	1,285
North American Philips Corp.	11.600	4,395
Great Atlantic & Pacific Tea Co.	11.000	8,300
First Fidelity Bancorp	9.500	404
Midlantic Banks	9.079	365
Marriott Corporation	8.700	4,200
Acme Markets	7.300	N.A.
Allied-Signal Inc.	7.000	9,115
Hoffmann-LaRoche	7.000	1,000
K-Mart	6.800	2,240
UPS	6.723	7,700
IBM Company	6.500	5,058
Exxon Corporation	6.000	9,290
ITT Company	6.000	20,000
E.I. Dupont de Nemours, Inc.	5.700	29,500
General Public Utilities	5.644	2,670
J.C. Penney & Company	5.600	13,700
Merrill Lynch	5.500	7,100
General Motors Corporation	5.262	96,372
American Cyanamid	5.105	3,540
Nabisco Brands/R.J. Reynolds	5.000	16,600
Squibb Corporation	4.700	2,042
W.R. Grace & Company	4.668	5,193
Merck & Company	4.500	3,547
United Jersey Banks	4.369	162
Schering-Plough Company	4.300	2,079
Mobil Corporation	3.612	60,600
Campbell Soup	4.000	4,379
Grand Union	4.000	2,600
Harrah's Marina	4.000	245
Trump Plaza	3.978	231
Resorts Internat'l/Hotel Casino	3.710	277
Tropicana Hotel & Casino	3.800	235
Trump's Castle	3.600	128
Caesar's New Jersey	3.500	281
Mayfair Supermarkets/Foodtown	3.500	431
First Jersey National Corp.	3.500	N.A.
People Express Airlines	3.400	978
Bally's Park Place	3.300	260
Golden Nugget	3.228	263
Hershey Foods/ Friendly Ice Cream	3.186	1,996
Owens-Illinois	3.100	3,874
Chubb & Company	3.100	2,394
Stop & Shop	3.030	3,689
Great Bay Hotel & Casino	3.010	193
Ciba-Geigy Company	3.000	2,400
Automatic Data Processing	3.000	1,030
Atlantis Casino Hotel	2.971	154
Gulf & Western	2.937	3,090
Sea-Land Corporation	2.900	1,634
Horizon Bancorp	2.839	135
City Fed. Savings & Loan	2.800	62
Jamesway	2.800	523
The Claridge	2.695	140
Ingersoll-Rand	2.660	2,637
Warner-Lambert Company	2.631	3,200
Village Supermarkets, Inc.	2.600	379
Becton-Dickinson & Company	2.530	1,200
Kidde Inc.	2.500	2,165
McGraw-Hill Inc.	2.500	1,491
Foodrama Supermarkets Inc.	2.400	441
Crum & Foster	2.262	7,500
Prime Motors Inc.	2.200	332
Hartz Mountain Industries Corp.	2.200	N.A.
Levolor Lorentzen Inc.	2.154	N.A.
Union Carbide	2.100	6,600
American Hoechst/Hoechst, A.G.	2.100	14,531
Lockheed Corporation	2.094	9,500
Ford Motor Company	2.055	52,744
Atlantic Electric Co.	2.012	580
CPC International	2.000	4,209
Lenox-Brown Forman	2.000	1,289
Carter Wallace	2.000	420
Consolidated Rail Company	1.900	3,200
Mutual Benefit Life Insurance Co.	1.842	2,297
New Jersey National Bank	1.786	72
Western Union	1.700	1,082
Emerson Electric Co./ Automatic Switch	1.700	4,649
Burroughs Company	1.610	5.100
Inserra Supermarkets	1.600	320
Foster Wheeler	1.600	1,228
Anheuser-Busch	1.600	7,683
Thomas J. Lipton	1.600	1,269
Macromedia Inc.	1.540	150
Constellation Bancorp	1.508	13
Hewlett-Packard	1.445	6,500
Carteret Savings & Loan Ass'n.	1.408	628
Howard Savings Bank	1.350	368
National Starch & Chemical Co.	1.214	N.A.
Engelhard Corporation	1.200	2,264
Concurrent Computer	1.200	260
Union Camp Corporation	1.200	1,800

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THE EUROPEAN ECONOMIC SITUATION AND OUTLOOK

(CONTINUED FROM PAGE 68)

will expand sluggishly, because of weak export demand and increased uncertainty.

- Net exports will drain the Community of almost 1 percentage point of real growth: imports from outside the Community will increase by about 7 percent while exports should remain flat.

The current-account balance of the Community will diminish from 35 billion European Currency Units (ECU)[1] in 1987 to 24 billion ECU (½ percent of Gross Domestic Product) in 1988. However, the positions of member countries will still differ widely. The average inflation rate should remain close to 3 percent in the Community and under 5 percent in almost all member states.

The unemployment rate will remain near 11½ percent. Certain groups like young people, older workers and women have been particularly affected and the probability of their finding or refinding employment has declined.

On balance, these forecasts show no sign of recession. Persistent slow growth, however, has damaging effects:

- It lowers the growth of productive potential as business investors because accustomed to poor performance;
- It exacerbates the structural problems of the labor market;
- It renders more difficult the adoption of major structural adjustments necessary for the completion of the large internal market;
- It counters the strengthening of economic and social cohesion in the Community by imposing an external constraint on the faster-growing countries.

Slow growth risks undermining the economic policy consensus that has built up in the last few years and the solid basis to the progess that has been achieved: price stability, higher profitability and greater flexibility of markets. It is therefore important to overcome the uncertainties and to improve policies to promote internally generated noninflationary growth. ☐

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[1] ECU = $1.22 on February 29, 1988

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CALENDAR OF EVENTS 1988

JANUARY

REGALO-FAMA
Gifts Trade Fair. (a)
13-17.

BISUTEX
Costume Jewellery Trade Fair. (a)
13-17.

IBERJOYA
International Jewellery, Silverware and Watches Trade Show. (a)
14-18.

FITUR
International Tourism Trade Fair. (b)
27-31.

FEBRUARY

IBERVIDEO
Videographic Trade Show. (a)
4-7.

ARCO
International Contemporary Art Fair. (c)
11-16.

IBERPIEL/PELETERIA
Furs Trade Show. (a)
24-28.

INMODA-ANIMODA
Imported Women's Fashion Trade Show. (a)
24-28.

IMAGENMODA
International Women's Fashion Trade Show. (a)
25-28.

INTERMODA
Ready-to-Wear Trade Show. (a)
25-28.

MARCH

SICUR
International Security, Safety & Fire Trade Whow. (a)
8-11.

TRAFIC
Road Safety Trade Show. (a)
8-11.

DOMELEC
Electrical Appliances Trade Show. (b)
8-13.

SALON DE LA COGENERACION (a)
Cogeneration Trade Show.
22-24.

MOGAR
Furniture Trade Show. (a)
23-27.

APRIL

FINART
International Handicraft Trade Show. (b)
6-10.

EXPOCALZADO
National Footwear Trade Show. (a)
8-10.

HABITALIA
Real Estate Trade Show. (b)
20-24.

EXPOMUSICA/BROADCAST
Musical Instruments, Professional Lightning and Sound Trade Show/TV & Radio Professional Equipment Trade Show. (b)
20-24.

EXPO/OPTICA
International Optics, Acoustics and Optronics Trade Show. (a)
22-25.

MAY

EXPO/OCIO
Leisure Time Fair. (c)
7-15.

SALON INTERNACIONAL DEL BRICOLAGE
International Do-it-yourself Show. (b)
7-15.

GRAFEX
Applied Graphics Show. (a)
18-21.

TEM
International Trade Show of Technics Items and Municipal Equipment. (a)
23-27.

SEPTEMBER

FIDEC
Sporting Goods Trade Fair. (a)
8-11.

REGALO-FAMA
Gifts Trade Show. (a)
17-21.

BISUTEX
Costume Jewellery Trade Show. (a)
17-21.

INMODA-ANIMODA
Imported Women's Fashion Trade Show. (a)
28-2 October.

IMAGENMODA
International Women's Fashion Trade Show. (a)
29-2 October.

INTERMODA
Ready-to-Wear Fashion Trade Show. (a)
29-2 October.

TECNOCLEAN
Cleaning, Maintenance, Conservation and Equipment Techniques Trade Show. (a)
29-2 October.

OCTOBER

EXPOCALZADO
National Footwear Trade Show. (a)
7-9.

INTERLOOK
Hairdressing and Beauty Care Trade Show. (a)
8-10.

MATELEC
International Trade Show of Electric Materials for Installations and Rural Electrification. (a)
18-22.

NOVEMBER

HOSPITALIA
Hospital Equipment and Techniques Trade Fair. (a)
8-11.

IBERPIEL-MARROQUINERIA
Leather Goods Trade Show. (a)

S.I.M.O.
International Monographic Fair of Office Equipment & Data Processing. (b)
18-25.

FERIARTE
Antiques Fair. (c)
24-3 December.

(a) Only trade visitors.
(b) Trade visitors & public.
(c) Open to general public.

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Está de moda

La moda española vive años de oro y está preparanda para dar el gran salto internacional con una categoría que antes sólo se ceñía a dos o tres nombres

PEYTON, S.A. Villafranca del Penedes

Por Pablo Torres

Hablar o escribir de moda puede resultar un tanto ambiguo por el hecho de ser algo no estático. La moda debe medirse por ser perecedera, cambiante y retornable; porque la moda no es únicamente el arte de vestir—o desvestir bien y con elegancia a las personas—, sino toda una actividad creativa que se inserta en el tejido social y hace de vehiculo de comunicación. La moda es en definición de Maria Aurelia Campmany, uno de los fenómenos más importantes de la vida de la humanidad.

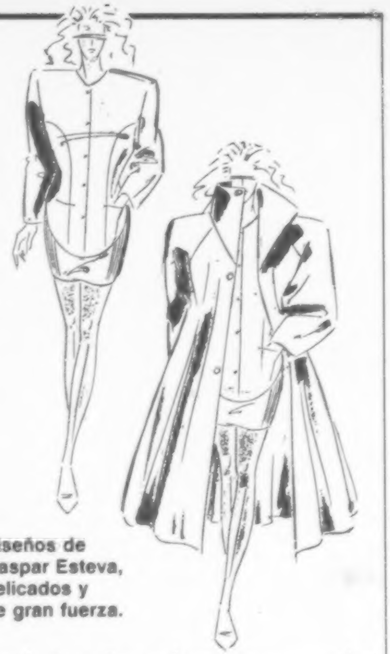
La moda española no es ya sólo Balenciaga o Pedro Rodríguez. Se ha hecho internacional, exportable; los diseñadores de vanguardia han marcado las líneas que se llevarán en otoño-88 e invierno-89: minifaldas de cuero para la imagen del «Made in Spain», que definirán a las mujeres de final de siglo, y la moda de España, en su función primordial de embellecer a la mujer, ha descubierto con el siglo que las piernas son más piernas si son o están estilizadas.

En la pasarela Cibeles, dos veces por año, se juega el prestigio del sello fabricado en España, en un momento crucial para la industria textil española que debe afrontar las acometidas de los productos extranjeros que llegan de Francia, Italia, Inglaterra y Alemania. En el escaparate Cibeles, el Estado se gasta ciento diez millones de pesetas, de los que sesenta y cinco proceden de la Comunidad Autónoma de Madrid y cuarenta y cinco del Centro de Promoción de Diseño y Moda, que pertenece al Ministerio de Industria.

Uno de los retos que debe encarar la moda española es la dura competencia que tendrá de otros países de tradicional peso especifico. María Jesús Escribano, directora del Centro de promoción de Diseño y Moda, comenta a *Carta de España*: «Somos pequeños en cuanto a producción, pero nada tenemos que envidiar en cuanto a diseño. Actualmente preparamos grandes promociones en Estados Unidos, Inglaterra y Francia y apoyamos a los grupos de moda punta. Lo que hoy se hace en España es lo que saldrá luego al exterior, porque es fundamental conocernos y darnos a conocer. La moda española a nivel medio-alto es exportable, tanto para mujeres, hombres y niños; aunque quizá nuestro problema es que no tenemos mentalidad de exportados. Afortunadamente, estamos cambiando de mentalidad; y en cuanto al concepto de moda actual, hay que decir que se hace en la calle y no en los salones. De ahí que los diseñadores tengan que estar muy al corriente de lo que pasa y adivinar un poco lo que se va a llevar: pliegues, colores vivos, transparencias, detalles . . . y sobre las tendencias, vivimos una internacionalización de la moda. No hay una moda exclusiva de un país, puede haber detalles genuinamente españoles; aunque los conceptos de moda son ya internacionales.»

La relación de diseñadores españoles de vanguardia es muy extensa) y su enumeración, prolija. Citemos nombres de gran proyección internacional: Jesús del Pozo, Adolfo Domínguez, Luis Devota, Modesto Lamba, Pedro del Hierro, Manuel Piña, Angela Arregui, Nacho Ruiz . . . Los trabajos están marcados por las tendencias novedosas y de amplio impacto. Gusta el «neo-folclore», revisado y refinado en pequeños gestos de pasamaneria, cadenetas, telas populares, flecos, mantones . . . Tampoco se olvida la magia personal del «new-look», en sastres entallados, de espaldas bien pinzadas y faldas como frutos en flor. En palabras de Lola Gavarrón, se podria decir que la moda «es una coquetería que sale más del cerebro que del pubis. "De vuelta" y no "de ida". Una coquetería que forja una imagen de mujer inteligente e intimista, que adopta el tono de la confidencia y no el de la provocación. Y que incluso, cuando se permite llamadas eróticas, las afina en una

Cortesia de *Carta de Espana,* No. 374



Diseños de Gaspar Esteva, delicados y de gran fuerza.

atmósfera de ingenuidad libertina. Esa es la mujer que se está cuajando como heroína de estos finales de siglo y de milenio. Y aquélla es la moda que se está forjando a su altura. Esa es la imagen que merece la pena apoyar en su experimentación».

Manuel Piña es uno de los diseñadores de vanguardia que de forma más decidida está llevando la moda española a grandes niveles internacionales. «Nuestro trabajo es muy especial—declara a nuestra revista—, desconocido. No solamente diseñamos una colección, sino además hay que pasarla, ponerla en escena. Este acto, cara al público, es demasiado importante arruinar todo el trabajo de seis meses, Y, por supuesto que cada país tiene su propio camino, su propio historial. Un buen diseñador no se hace en poco tiempo, y Francia e Italia llevan muchos años creando y vendiendo. Cuidan mucho los matices, con diferencias si el destino es Alemania, Japón o América.

Estamos intentando ponernos en órbita, aunque yo distingo entre colecciones que son para tiendas y las que son para el público. Mis directrices se basan en la mujer que pasa de cosas estrafalarias. Quiere buenas telas, calidad, ir bien vestida, sentirse arropada. En mis trabajos destaco la sexualidad y los colores, porque quiero destacar su cuerpo y su espíritu; pero sin olvidar que no todas las mujeres son maniquíes. En la mujer es importante el gancho, y eso solamente depende de ella. Yo destaco su figura con cachemir, seda, pelo de camello, piel y lanas con negros, neutros brillantes y dibujos clásicos. Los volúmenes marcan las siluetas y se hacen redondos.»

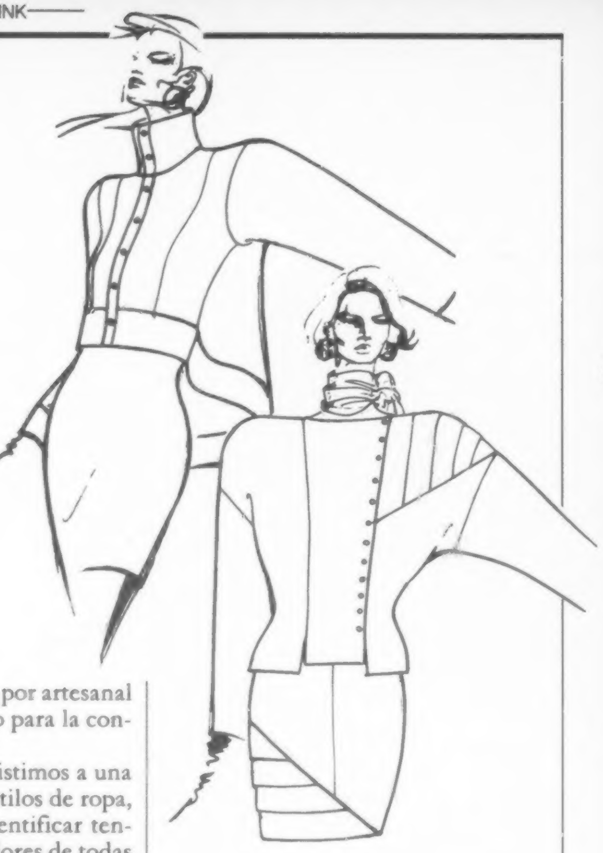
CALENDARIO DE LA MODA

Enero	Iberjoya	Madrid
	Pielespaña	Barcelona
	Textilhogar	Valencia
Febrero	Gaudi-mujer	Barcelona
	Cibeles	Madrid
	Intermoda	Madrid
	Imagen-Moda	Madrid
	Iberpiel	Madrid
Marzo	Mostra de tejidos	Barcelona
Abril	F.I. Canarias	Las Palmas
	F.I. Valencia	Valencia
Mayo	SEVIME	Mahón (Baleares)
Julio	FIMI	Valencia
Septiembre	Expohogar	Barcelona
	FICC	Elda (Alicante)
	Gaudi-mujer	Barcelona
	Cibeles	Madrid
	Intermoda	Madrid
	Imagen-Moda	Madrid
Octubre	Mostra de Tejidos	Barcelona
Noviembre	Iberpiel	Madrid
	Modatec	Elda (Alicante)

Cincuenta años de moda

En la moda española siempre ha tenido un gran peso la peletería, aunque bien es verdad que no está al alcance de todos los bolsillos, especialmente cuando se trata de pieles de «alto rango». El presidente de la Federación Española de Peletería, Joaquín Medina, nos dice: «Nuestro mercado ha experimentado una evolución asombrosa en los últimos años. Se ha producido un cambio importantísimo en lo que respecta al diseño y, junto a los diseñadores consolidados, de siempre, ahora convive una nueva generación de jóvenes con muy buenas ideas. Actualmente estamos a gran altura, por delante de la mayoría de los países europeos. Estamos en un nivel muy cercano a Italia y por delante de Francia. No tenemos puesta la vista en el noventa y dos, sino en el mañana más inmediato. Las expectativas son buenas. El cordero merino español cada vez tiene más éxito en el mundo y nuestros diseños y confección están de moda en Europa. En España, las señoras y jóvenes han apostado por la piel. Quieren además pieles de calidad, con un buen diseño. Eso sólo lo pueden dar nuestros artesanos peleteros.»

La evolución de la moda española, en los últimos cincuenta años, puede verse a través de ciento cuarenta trajes, de cincuenta y tres creadores de moda, en una gran exposición: «50 años de moda en España», donde se reúen toda



Diseño de Roberto Verinno, en su línea habitual.

suerte de vestidos desde la época de los treinta. Se puede ver toda una evolución estética, con la repercusión en las formas y el proceso industrial. Es pues el primer intento serio para que se conozca y valore la moda española que, en la actualidad, está en las mejores condiciones de dar su salto internacional y tener una categoría que ante sólo se limitaba a dos o tres nombres, en la llamada alta costura.

El propósito de la exposición, la primera en su género que se hace en nuestro país, es puramente didactico o informativo. Se reconstruye la historia de la moda española en base a los muchos cambios históricos que se han dado en la presente centuria; en la década de los treinta, los creadores más importantes fueron Cristóbal Balenciaga, Pedro Rodríguez y Asunción Bastida. Balenciaga y Rodriguez se instalaron en Paris, aunque el segundo volvería a España.

En el siguiente decenio los descubrimientos técnicos llevan el nilón y las fibras acrílicas a las medias y ropa interior. Las formas de vestir son militaristas, con espaldas amplias y hombros pronunciados. Con el final de la Segunda Guerra Mundial, las formas se suavizan.

El momento más crucial para la moda española e internacional se produce en la década de los sesenta. Ha subido el poder económico, con nuevas ideas sociales: revuelta de mayo del 68, los acontecimientos de la Universidad de Berkeley y movimientos pacifistas contra la guerra del Vietnam. Es una etapa de alta tecnificación y de optimismo, años en los que se dice adiós a la moda y se da paso a las modas: minifaldas, faldas largas, «shorts», cinturas ceñidas, cuello «mao», colores del pop-art americano. Todos estos elementos se unificarán y la moda de confección en serie los adoptará y hará suyos. El vestido masculino sufrió también cambios importantes. Se hizo más informal con la utilización de colores diversos y la adopción de piezas deportivas o de origen popular. El hombre empezó a ser un elemento importante en la moda.

En la década de los setenta se produce un descenso de la alta costura y una espectacular subida de la ropa de confección, seriada y diseñada por estilistas, destinadas a un proceso mecánico. La tecnificación permite llegar a un público más amplio, con una fabricación más cuidada. En España todo este proceso es más lento por artesanal y, por tanto, desventajoso para la confección en serie.

En la actual década asistimos a una auténtica explosión de estilos de ropa, ante los que es difícil identificar tendencias. Estilistas y creadores de todas las nacionalidades reinventan cada temporada la moda, ampliando las posibilidades de oferta hasta límites insospechados. Es el triunfo del diseño por el diseño que hace realidad el sueño de la libertad en el vestir y . . ., contra todo pronóstico, renace la alta costura y una forma de vestir exquisita y elitista. ☐

PELETERIA: COMERCIO EXTERIOR

IMPORTACIONES

	En bruto	Curtida	Manufacturada	Totales
1982	3.100,8	1.357,3	137,7	**4.595,8**
1983	4.857,8	2.086,3	163,9	**7.107,9**
1984	4.805,8	2.543,5	181,4	**7.530,7**
1985	6.289,4	2.497,3	201,1	**8.987,8**
1986*	5.666,8	4.813,2	327,4	**10.810,6**
1987*	5.661,0	5.047,7	508,3	**11.245,9**

EXPORTACIONES

	En bruto	Curtida	Manufacturada	Totales
1982	162,3	13.668,8	3.662,8	**17.499,7**
1983	394,5	13.771,8	4.310,9	**18.477,3**
1984	557	20.754,5	5.370,2	**26.501,7**
1985	904,4	27.198,9	4.367	**32.470,3**
1986*	411,5	30.542,7	3.107,6	**34.075,7**
1987*	361,4	37.942,6	3.453,2	**41.778,1**

* Sólo de enero a octubre.
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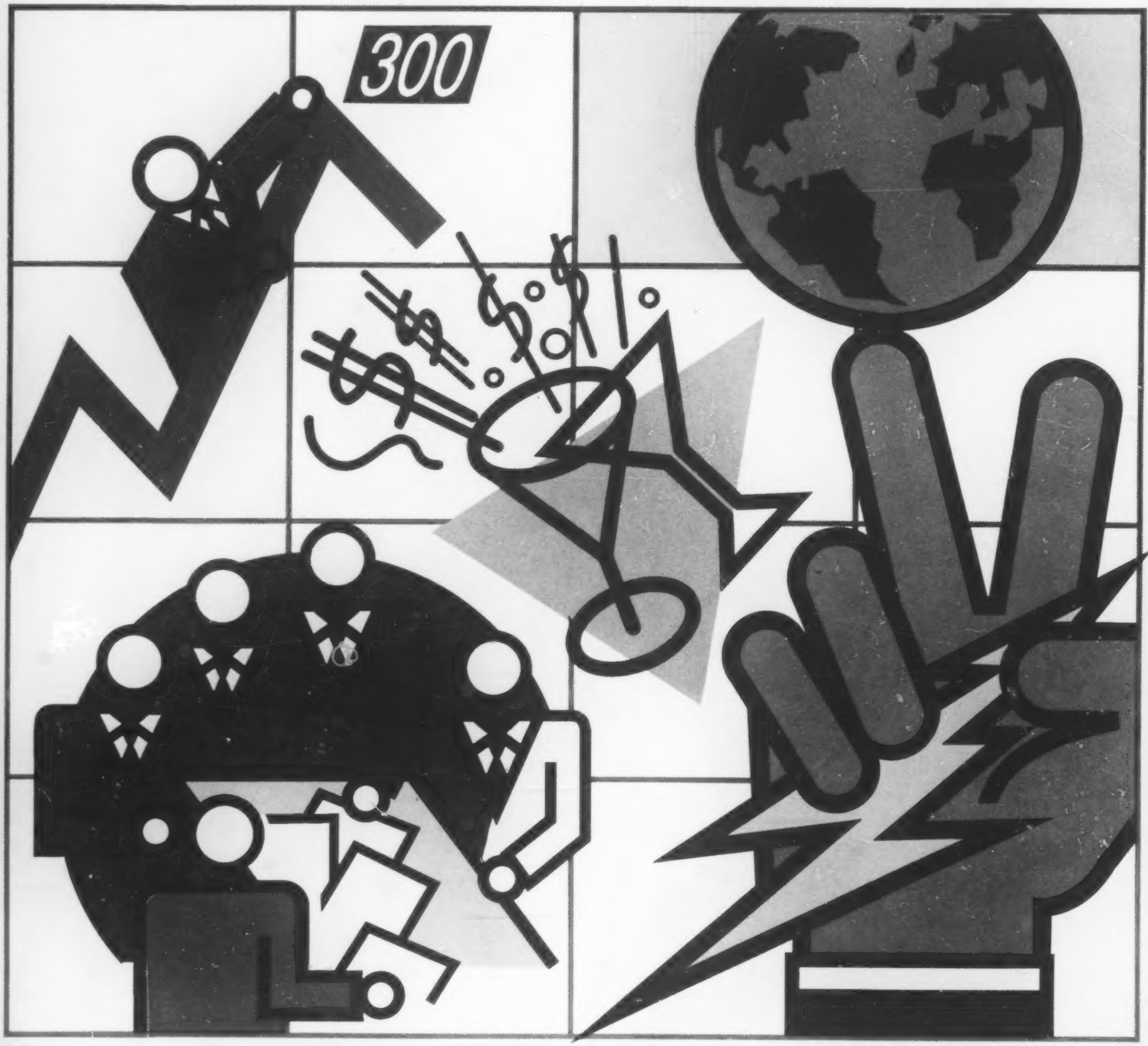

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350 Fifth Avenue, Suite 3514, New York, NY 10118
Telephone: (212) 967-2170
Telex: 275815 SPAN UR
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CHAMBER ACTIVITIES

The Annual Meeting Welcomes Ambassador de Aldasoro, Elects New Directors, Hears Reports of Chamber's Steady Progress

On June 28th, the Chamber held its Annual General Luncheon Meeting at the Casa de España. During the meeting, President Luis Benítez de Lugo welcomed the newly appointed Consul General of Spain in New York, Ambassador Miguel de Aldasoro, former Ambassador of Spain to Brazil and a career diplomat with extensive commercial experience and highly responsible posts in his background. The President also thanked Joaquín de la Infiesta, Commercial Counselor of Spain in New York, for his presence, and stressed the momentum which has developed in trade matters as a result of the close cooperation between the Chamber and the Commercial Office. In his report, Mr. Benítez de Lugo also expressed his pride in the steady growth and accomplishments of the Chamber, as well as the leading role which it is playing among the chambers and the Chamber's continuity and importance as a "business link" between Spain and the United States.

Executive Director Miguel Sebastiá reported on the many activities organized during the 1987-88 season, emphasizing the intensive work toward the modernization of the Chamber's structure, facilities and equipment and the contribution this has made to building an efficient platform for business connections between Spanish and American companies.

Mr. Sebastiá also reported on the marketing services approach of the Chamber and the decision to focus on membership as a priority target. These efforts have allowed the Chamber to have a balanced budget in 1987 and minimized the risks of dependence on a small and concentrated economic base. A new and more accurate accounting system has already been implemented, he said, which will allow close control of activities on a cost/income basis and is the foundation for a "spend-as-we-go" policy. Deficit activities will be identified and decisions will be made with a goal of a "balanced budget year-end." ☐

The newly constituted Board of Directors gathers for a group portrait at the Annual Meeting.

ELECTION OF NEW DIRECTORS: REPORT OF THE NOMINATING COMMITTEE

Maurice Cusack, Chairman of the Nominating Committee, presented the following report, which we are publishing in its entirety since it illustrates the bases on which nominations are made:

As you know, a Nominating Committee was appointed at the last Board Meeting on April 28, 1988 to propose a slate of Directors to fill vacancies created by outgoing Directors and serve on the Board of the Chamber for the usual three year term. The Committee included Joseph R. Sanchez, C. Michael Bennis, José Peces Perezagua, and Joel T. Camche, besides myself, as Chairman.

In a circular mailed on or about May 16, members of the Chamber were also urged to make their views known on this subject, by letter or telephone, to any member of the Committee.

Following this procedure, the Committee gave consideration to the eligibility for nomination of new Directors among the Chamber members, bearing in mind, as a general rule, the following requirements:

a. That a candidate must be a member in good standing;

b. That a candidate should have joined the Chamber for some time already and be familiar with its activities;

c. That a candidate should have wide experience as a business person and represent important commercial, industrial, financial and legal interests, thus bringing prestige to the Chamber.

d. That a candidate must be committed to take a sincere and active interest in the affairs of the Chamber and in the furtherance of trade and commerce between Spain and the United States;

e. That as an American institution, the Chamber should have a well-balanced Board composed of American as well as Spanish business people who seek to promote business with either of our two countries.

After full deliberation, the Committee is pleased to recommend for nomination to the Board the following persons:

Francisco Alcon, Senior V.P., Banco Hispano Americano

Luis Bonel, Executive V.P., Majorica Jewelry, Ltd.

Parker Booth, General Manager North-East Atlantic Region, Sea Land Service Inc.

Antonio C. Campos, CEO and General Manager of North and Central American Operations, Banco Central S.A.

Nicasio del Castillo, Partner, Coopers & Lybrand

Frederick Chase, President, Chase Imports

Donald Dixon, President, Howard Marlboro Sports, Events and Licensing

Lester T. Frey, President, Lester T. Frey Inc.

Wilson T. Harrell, Publisher, *Inc.* Magazine

Brian Henderson, V.P. and Director, Merrill Lynch Capital Markets

Richard Hutchinson, Senior V.P., Philip Morris

Miguel Jordana, Managing Director, J. & A. Garrigues

Julia Laparra, Director, Lladró Museum, New York

Enrique Ramos, International Sales Representative, IBM Corporation

Alvaro Ureña, General Manager East Region USA, Iberia Airlines of Spain

Lawrence Wilson, Senior V.P., Ruder Finn & Rotman

If the nominees are elected, the Board would be made up of a number of rep-

(CONTINUED ON PAGE 32)

Bienvenida al nuevo Consul General, el embajador Miguel de Aldasoro

El pasado dia 28 de junio, coincidiendo con la celebración del Annual Luncheon Meeting que organizó la Cámara de Comercio España-EE.UU. en la Casa de España, tuvo lugar la presentación oficial del nuevo Cónsul General de España en Nueva York, Excmo. Sr. Miguel de Aldasoro.

El embajador Aldasoro, de amplisima y dilatada carrera diplomática, ha ostentado la máxima representación de España en Brasil durante los últimos cinco años.

Gran especialista en relaciones comerciales internacionales, el nuevo Cónsul General de España en Nueva York ha desempeñado con anterioridad los cargos de Agregado Comercial en la Embajada de España en EE.UU., Jefe de la Oficina Comercial de España en Rabat (Marruecos), así como Director General de Relaciones Comerciales Internacionales.

El Embajador agradeció a la Cámara de Comercio a través de su Presidente Luis Benitez de Lugo, el recibimiento que se le dispensó y a todos los allí presentes les ofreció su apoyo y colaboración en cualquier actividad tendente a estrechar los vínculos de unión entre España y los Estados Unidos.

Desde estas páginas queremos dar nuestra más cordial bienvenida al nuevo Cónsul General, así como desearle toda suerte de éxitos en su nuevo destino.

Scenes at the Annual General Luncheon Meeting

Left: Maurice Cusack presents the Nominating Committee's report. Right: The dais. In the foreground are the newly-appointed Consul General, Ambassador Miguel de Aldasoro, Chamber President Luis Benitez de Lugo, and Commercial Counselor Joaquin de la Infiesta.

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Publications Director
MIGUEL SEBASTIA

Editor
JOSE M. MARQUINA

Assistant Editor
ASUNCION IGLESIAS

Layout and Production Director
DAVID THOMAS

Printing Services
EMIL COCCÈ
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Cover Design
JAVIER ROMERO STUDIO

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Real Estate
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Tourism
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Photographers

ANDRES PALOMINO

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EDITORIAL

Una de las creencias filosófico-prácticas de ésta Cámara de Comercio, es que difícilmente se establecen negocios entre países, entidades o personas que se desconocen mutuamente y ese es, en el fondo, el gran problema a superar para un mayor contenido de las relaciones económicas entre España y Estados Unidos. A nuestro entender, las relaciones económicas constituyen el eje básico sobre el que se desarrollarían los demás contactos pero, como apunta el profesor González-López en "Ultima página", históricamente no ha sido éste el planteamiento de las relaciones internacionales españolas y quizás lo que estamos experimentando ahora es una mayor sensibilización por los aspectos económicos dentro del marco de las relaciones políticas, tradicionalmente más altruistas.

Frente a esa enfermedad crónica del mútuo desconocimiento (que a menudo y fácilmente se transforma en incomprensión), la comunicación constituye el mejor remedio. Esta se mostrará más eficiente en la medida en que sean más los canales de comunicación que se establezcan entre ambos países y mejores los mensajes. Es uno de los objetivos más relevantes de esta Cámara que empresarios y ejecutivos de ambos países (especialmente los norteamericanos) reciban, fluida y regularmente, información que les acerque a la realidad económica y oportunidades del otro país. Como en la mayoría de los casos, son los medios económicos los que marcan el límite de lectores a los que se llega.

Esta Cámara emplea buena parte de sus esfuerzos en actividades que deriven en un mayor contacto de los representantes de intereses económicos españoles y norteamericanos. Entre ellos está la participación en forums, seminarios y conferencias con entidades norteamericanas para dar a conocer España.

Fué en una las últimas conferencias en la que surgió un comentario haciendo referencia a las cualidades de los españoles: "trabajadores, esforzados, creativos, caballeros y con un gran sentido de la vida. Imparables si consiguieran mantener un ritmo constante!". Esa frase incluye probablemente la clave del éxito hacia un mayor conocimiento real en Estados Unidos de lo que es España y viceversa. Es aquí donde vemos el excelente rol de la Cámara de Comercio puesto que ello es, exactamente, lo que significa la Cámara: conocimiento, presencia y actividad **continúa** a través de un grupo de hombres de negocios que representan y personalizan la propia esencia de las relaciones económicas entre los dos países a nivel de iniciativa privada.

Consecuentemente con este planteamiento de **continuidad,** la Cámara trabaja en el desarrollo de instrumentos que aporten ese foro continuo de encuentro entre hombres de negocio españoles y norteamericanos. Uno de los principales instrumentos es, sin duda, esta propia revista. Su aceptación ha sido magnífica y el objetivo ahora es conseguir que llegue, regularmente, a todos los líderes empresariales y de opinión de ambos países.

Dado que la única financiación de la revista se produce a través de los anunciantes, queremos agradecer a todos ellos la comprensión de esta labor a largo plazo que, modestamente, se está operando desde ésta Institución.

• • •

This magazine has undoubtedly become one of the most efficient tools to improve mutual understanding between the business communities of the United States and Spain, through a regular channel of communication.

As it is financed only through advertising, we deeply appreciate our advertisers' understanding of the importance, in the long term, of having such an efficient and effective voice speaking from the point of view of the private sector.

An excellent source to promote your company is certainly provided by "*The Business Link*", but it takes a real knowledge of both countries to realize that its task goes far beyond promotion.
Thank you!

ACTIVITIES OF THE CHAMBER

At the first meeting of the new Chamber Board of Directors: Joseph Sanchez, Ricardo Jove, Wilson Harrel, Brian Henderson, Bonnie Hoskins, Nicasio del Castillo.

Above, Donald Dixon, Richard Hutchinson, Victor Palazzo.

Benitez de Lugo Reelected President of the Chamber

On July 14th the new Board of Directors of the Chamber, including the members elected at the Annual Meeting, met for the first time. During the meeting, Luis Benítez de Lugo, General Representativè of Banco de Santander, was unanimously reelected as President of the Chamber for a second one-year term of office.

The special purpose of this meeting was to give Board members a chance to get to know each other, their companies, interests and activities. Information about the Chamber, including the annual financial report, was distributed, and Directors suggested areas in which they felt they could best help the Chamber by serving on specific committees.

A second meeting was scheduled for September 19th, at which time specific decisions will be made on matters of importance to the Chamber. A report on this meeting will be published in our next issue.

Luis Benitez de Lugo.

Wilson Harrell, Brian Henderson, Bonnie Hoskins.

Andrew d'Alessandro and Fred Chase.

In this issue...

After the summer break and again integrated into the rhythm of New York, we present the fall edition of *The Business Link*.

As you will see, we offer you a magazine with more substance and with more projection toward the American professional concerned with the international market.

On the operative level, we have made several improvements in the organization and structure of the magazine, which is considered the most important means of communication of the Spain-U.S.A. Chamber of Commerce. We have also made a careful management study to justify the substantial investment represented by this magazine in maintaining high standards of quality and design. We have also reviewed our mailing list for the purpose of obtaining a better and broader distribution of *The Business Link* among the people and organizations which are its natural audience.

Finally, we are now concentrating on achieving a more professional relationship with our advertisers, more numerous with each issue, who have placed their confidence in a publication which is a singular and most valuable element of information and promotion in matters involving Spain and the United States.

JOSE MARQUINA

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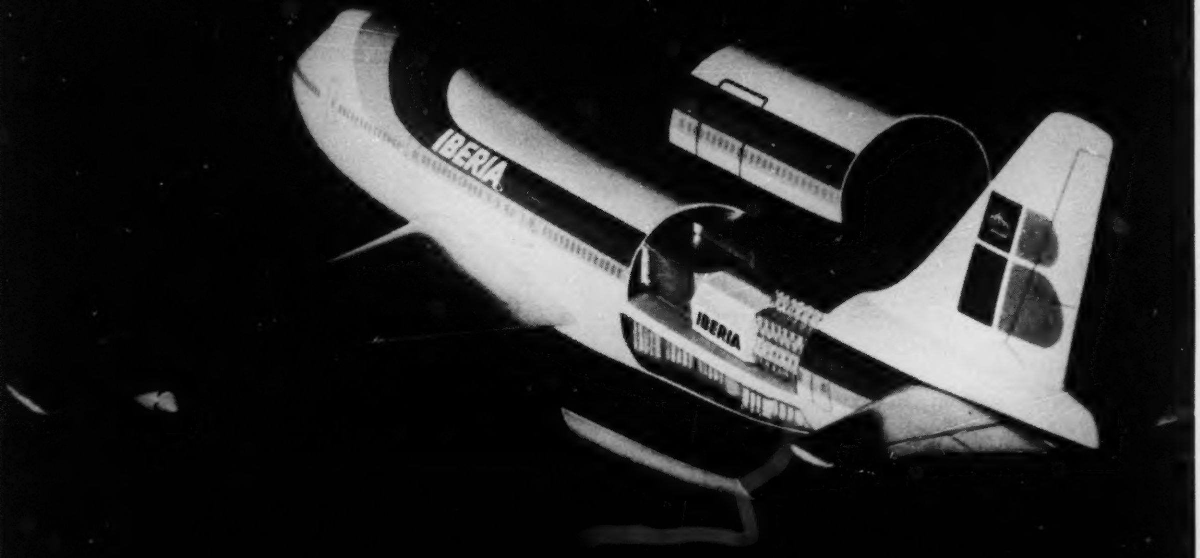

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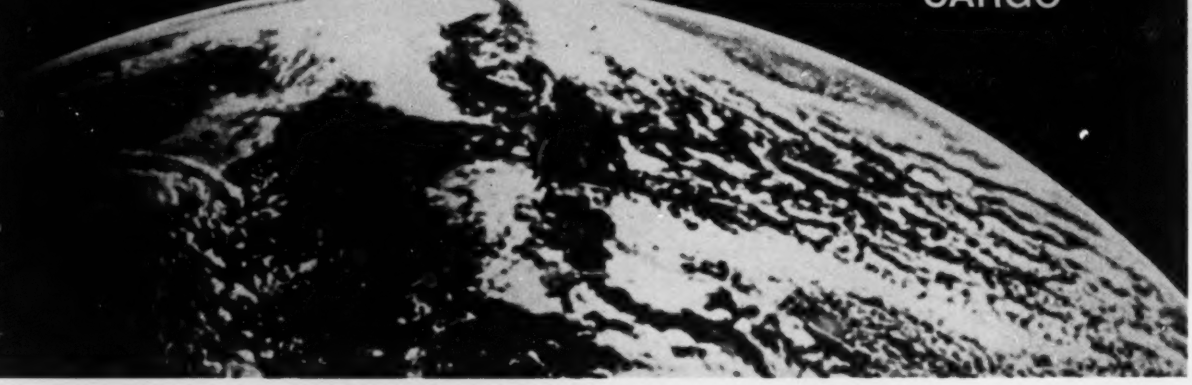

Spain's New Cabinet: Few Changes

On July 8, 1988, the expected reform of the Spanish Cabinet took place. Prime Minister Felipe González made few changes in appointing the new cabinet due to the success of his policy and the importance of continuity for foreign investors and foreign policy, just as Spain is getting ready to preside the EEC for half a year, effective January 1, 1989.

There is no doubt that one of the most valuable assets of Felipe González's policy is seen through the performance of the Spanish economy. Carlos Solchaga, the Minister responsible for Economy and Finance was reappointed to the same position while Manuel Chaves also was reappointed as Minister of Labor.

As a substitute for Luis Carlos Croissier, head of the important post of Ministry of Industry and Energy, Prime Minister González appointed Claudio Aranzadi, who was a guest of this Chamber a few weeks ago. Mr. Aranzadi had been President of INI (Instituto Nacional de Industria), the state-owned holding company and a supporter of Mr. Solchaga in the outgoing cabinet.

It should be highlighted that two women were appointed to the new Cabinet, one of them heading the newly created Ministry of Social Welfare. There are also changes in the posts of the key Ministries of Interior and Justice, which will be governed by two new Ministers. Spain is facing a very important challenge in 1992 and these appointments are viewed as a new approach to control the activities of criminal groups looking for media exposure.

The new Government presented to his Majesty, King Juan Carlos I, is as follows:

Prime Minister: Felipe González
Deputy Prime Minister: Alfonso Guerra
Foreign Affairs: Francisco Fernández-Ordoñez
Justice: Enrique Múgica
Defense: Narciso Serra
Economy and Finance: Carlos Solchaga
Interior: José Luis Corcuera
Public Works: Javier Saenz de Cosculluela
Education & Science: Javier Solana
Labor: Manuel Chaves
Industry & Energy: Claudio Aranzadi
Agriculture: Carlos Romero
Transportation & Tourism: José Barrionuevo
Culture: Jorge Semprún
Regional Administration: Joaquín Almunia
Health: Julián García-Vargas
Government Spokeswoman: Rosa Conde
Parliament Relations: Virgilio Zapatero
Social Welfare: Matilde Fernández

The 1989 Trade and Membership Directory

is now in preparation. More than a membership directory, the 1989 edition will include information and features on the economy of Spain and trade between Spain and the United States. It will be a useful tool and guide for contacts, products and services, and will be consulted frequently for more than two years.

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CHAMBER ACTIVITIES

"U.S. Firms: Get Serious About Spain" is Topic of Miguel Sebastiá Address at Bergen College

The July meeting of the International Trade Round Table of Bergen Community College featured Miguel Sebastiá, Executive Director of the Spain-U.S.A. Chamber of Commerce, as the keynote speaker. The theme of the discussion was "U.S. Firms: Get Serious about Spain". The meeting was attended by over 60 representatives of firms involved in international trade from all over the New Jersey/New York metropolitan area. During the meeting Mr. Sebastiá highlighted the fact that Spain's growth and modernization have created export and import opportunities for U.S. firms. Spain is the tenth largest industrial power in the world with tremendous opportunities for American products, especially when considering Spain's involvement in the European Common Market. Although U.S. exports to Spain increased 16.5 percent in 1987, the U.S. continues to lose markets to the Europeans and the Japanese who are more aggressively taking advantage of the Spanish import boom. Mr. Sebastiá also addressed the importance of speaking a foreign language when doing business overseas, in this case Spanish.

The International Trade Round Table (ITRT) has been in existence since 1981. The ITRT serves as forum on international trade issues for New Jersey and New York businesses and it has a current membership of over 150 commercial, financial, service and industrial firms in Bergen County and the metropolitan area. Through its monthly series of luncheons, the ITRT has presented seminars on topics such as "Doing Business with Canada", "The New Harmonized System", and "Doing Business with the Soviet Union". The ITRT has been an invaluable link between the college and local industry by providing a direct contact with business leaders who have been beneficial in the development of programs in international trade. ☐

Chamber Co-Sponsors International Business Card Exchange

Over 250 people attended the first International Business Card Exchange, on Tuesday, June 28, 1988, hosted by the New York Chamber of Commerce in conjunction with Spain-U.S., the Norwegian, and The Netherlands Chambers of Commerce. The corporate sponsor for the Exchange was Citibank, N.A., and the event was held at the 399 Park Avenue offices of Citibank.

The meeting was truly international and the attendees at the Exchange represented a wide cross-section of international activities including trading companies, multi-national corporations, freight forwarders, and private international service firms. In additional, representatives from foreign government trade offices, international trade associations, and federal, state, and city agencies responsible for trade attended the function.

The organizers were represented by top executives: from the New York Chamber of Commerce, Ron Shelp, President and CEO, and John Saunders, International Business Department, Coordinator for the event; from Citibank, Sam Borenstein, Vice President; from The Netherlands Chamber of Commerce, Wilfred Poiesz, Manager and International Trade Advisor; from the Norwegian-American Chamber of Commerce, Theis Pederson, Executive Director, and from the Spain-U.S.A. Chamber of Commerce, Miguel Sebastiá, Executive Director.

At the Exchange, Citibank representatives demonstrated the bank's new "Currency Trader" system, which is an automated foreign currency exchange and settlement system accessible through a personal computer.

The first Exchange was so successful that discussions with other international chambers are currently under way regarding future events. ☐

(L to R) John Saunders, Theis Pederson, Ron Shelp, Miguel Sebastiá, Sam Borenstein, and Wilfred Poiesz.

INTENTIONAL
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Desayuno de los Socios Corporativos con Guillermo de la Dehesa

Como es ya tradicional la Cámara viene organizando, a lo largo del año y de forma exclusiva para sus "Corporate members", desayunos de trabajo con importantes personalidades españolas y norteamericanas del mundo político/económico. En esta ocasión tuvimos la oportunidad de compartir el café matinal con el ex-Secretario de Estado de Economía, Guillermo de la Dehesa.

El Sr. de la Dehesa, con enorme prestigio en el mundo neoyorquino de las finanzas y gran amante de nuestra ciudad, departió en animado diálogo y durante dos horas con varios de los más significados miembros de la Cámara, quienes tuvieron oportunidad de preguntar aspectos concretos de la política monetaria, la reforma del mercado español de valores, el proceso de concentración bancaria, etc.

Preguntado por su futuro profesional, el principal diseñador de este nuevo sistema financiero español, hombre de confianza del ministro Carlos Solchaga y actual Consejero Delegado del Banco Pastor se mostró muy cauto en sus respuestas.

Dado su conocimiento de este país no sería una sorpresa que Guillermo de la Dehesa potenciara una mayor actividad del Banco Pastor en Estados Unidos y, quizá hasta una presencia física del banco en Nueva York. Amigos, contactos y apoyo no le faltaran al sabio Guillermo. ☐

Antonio Camuñas, delegado de la Cámara, ponente en una conferencia en Monzón

Numerosos profesionales se dieron cita en el salón de actos de la Cooperativa de Transportes de Monzón, ubicada junto al recinto ferial, para seguir las Jornadas Técnicas de la Exportación encabezada por Apolonio Ruiz-Ligero, Vicepresidente ejecutivo del Instituto de Comercio Exterior (ICEX) y actual Secretario de Estado de Comercio, que centro su disertación en aspectos prácticos relacionados con la materia y habló de las posibilidades españolas de cara a 1992. El director de exportación de SAENGER, José Luis Aznar, desarrolló su conferencia sobre los sectores industriales y agrícolas ante la exportación.

Antonio Camuñas, delegado en España de la Cámara de Comercio España-EE.UU., habló de "Estados Unidos como objetivo" y en posterior mesa redonda se debatieron las posibilidades exportadoras del Alto Aragón, en la que participaron Benito López, director general de Comercio de la D.G.A.; José Luis Sierra, vicepresidente de la Diputación Provincial; Javier Abella, jefe del Servicio Exterior de la Cámara de Comercio de Huesca y Pablo Bazus, en representación de la Confederación Empresarial. Todo este programa, que se desarrolló en paralelo a la feria, ha sido coordinado por el prestigioso periodista oscense, Manuel Campo Vidal. Por otra parte, se clausuró la primera edición de FERCOMEX, que se celebra en la capital aragonesa y que ha contado con una importantísima afluencia de visitantes y despertó el interés de los agregados comerciales de las embajadas de Chile, Italia, Francia, Inglaterra y Venezuela, así como de industriales de diferentes países. ☐

Apolonio Ruiz-Ligero presenta su disertación en Monzón.

Ruiz-Gallardón, vice-presidente de Alianza Popular, en Nueva York

Procedente de Atlanta donde estuvo tomando buena nota de la convención demócrata, el joven vice-presidente de Alianza Popular, Alberto Ruiz-Gallardón, permaneció unos días en Nueva York donde mantuvo diversos contactos con personalidades norteamericanas destacando su reunión con el Secretario General de las Naciones Unidas, Javier Pérez de Cuéllar.

Alberto Ruiz-Gallardón (a la derecha) con Javier Pérez de Cuéllar.

El Sr. Ruiz-Gallardón mostró gran interés en las relaciones económicas entre España y Estados Unidos, así como las perspectivas de las mismas, sobre todo desde un punto de vista práctico como el de las compañías pertenecientes a la Cámara.

El dirigente de Alianza Popular visitó al Presidente de la Cámara, Luis Benítez de Lugo, y posteriormente se reunió de nuevo con él y con el Director Ejecutivo, Miguel Sebastiá, quienes le mantuvieron al corriente de las actividades que está llevando a cabo la Cámara y el rol que una Institución como ésta debe desarrollar en una ciudad de la importancia de Nueva York. El Sr. Ruiz-Gallardón se interesó por el espíritu innovador de la Cámara, a la que brindó su apoyo y animó a seguir en su importantísima función como punto de encuentro entre empresarios españoles y norteamericanos. ☐

INI Scales Down

"INI is concentrating all its efforts on improving the results and competitiveness of its companies," says Claudio Aranzadi.

(L to R) Miguel Sebastiá, José Ignacio Encinas, Claudio Aranzadi, Felipe Propper de Callejón, José Marquina.

During the week of May 16 to 22, **Claudio Aranzadi,** newly appointed Minister of Industry and former chairman of Spain's National Institute of Industry (INI), arrived in New York for the listing of ENDESA on the New York Stock Exchange, the latest of four Spanish companies to be listed.

The Chamber organized one of its traditional breakfasts of the "Chamber Juniors," younger members who are beginning their professional careers in New York. More than 35 juniors attended the breakfast, which was held at the Harvard Club thanks to the kind collaboration of Felipe Propper de Callejon, a Director and former President of the Chamber. Also present was **José Ignacio Encinas,** representative of INI in the United States and head of the office recently opened by the INI Group to coordinate activities and supply information about INI to the U.S. business community.

Mr. Aranzadi outlined the objectives of the INI Group, explained the privatization policies presently being carried out, and answered questions from those attending. The following is a summary of his message.

By María Rotondo

Functions and Objectives of the INI Group

The INI Group, Spain's largest holding company, is a state owned group, and ranks among the top twenty European industrial groups, and among the top sixty in the world.

Founded in 1941, it was the instrument for creation and reconstruction of the infrastructure and industrial capacity of Spain after its Civil War. In 1959, with the Stabilization Plan, the Group changed its orientation by the application of the so-called principle of subsidiarity under which many private companies believed to be of public interest and in crisis were the object of a rescue operation by the public sector.

In 1982, INI radically changed its policies and adopted the medium range objective of becoming a more balanced industrial group, from an industrial as well as a financial point of view. Since then, there have been no new "rescue" operations and INI is concentrating all its efforts on improving the results and competiveness of its companies. Partly due to Spain's inauguration into the EEC (January 1986), INI recognized that the international scenario had changed dramatically and that businesses were experiencing both the effects of the opening of the domestic market and an increase in foreign competition.

Through various restructuring plans the INI is cultivating the competitiveness of its companies, emphasizing primarily improvement of the quality of human resources and their optimal allocation in the productive process. This policy has led INI to undertake a very important process of productive capacity reduction, mainly in the "mature" sectors such as iron, steel, and shipbuilding. Due to this policy there has been a substantial reduction in the number of employees, from 220,000 in 1982 to 160,000 in 1988. At the same time, an important investment program has been established in certain divisions, and we can now say that the quality of material assets of the group's companies is competitive with leading international industries.

Privatization Polices of INI

Within INI's policy of rationalization of its business portfolio, Mr. Aranzadi pointed out three types of privatizations that INI is presently carrying out:

- Divesting of companies;
- Offering shares of certain companies in the stock market (retaining majority interest and control in those companies); and
- Incorporation of industrial partners which are technologically and commercially complementary.

In these three cases the reasons that have led to the "privatization" and the objectives pursued differ.

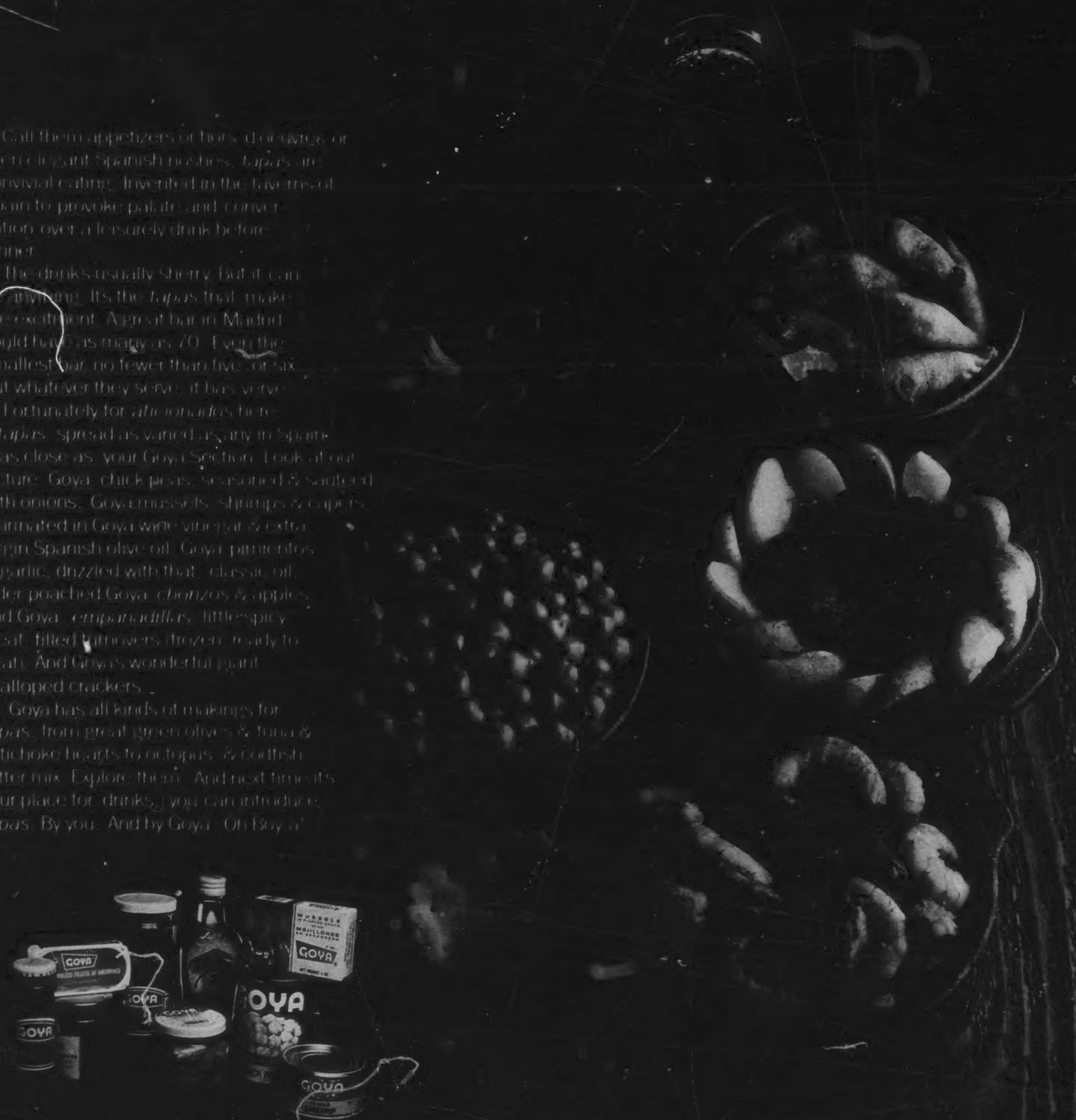
Divesting of Companies

In this case the objective is purely industrial; a company of INI is sold to a shareholder who assumes, from that moment on, both the majority interest and the management responsibility of the company, which becomes totally separated from INI.

The idea behind this particular policy is that the new owner will be able to generate a greater added value to the business than INI due to technological or commercial advantages.

A good example of this has been demonstrated in the case of Seat which was sold to Volkswagen. Seat was producing a total of 400,000 automobiles per year; that is, they were operating on a small scale considering the wide range of models that they were producing, and it made them un-

Goya introduces Tapas



Call them appetizers or hors d'oeuvres or even elegant Spanish noshes, *tapas* are convivial eating. Invented in the taverns of Spain to provoke palate and conversation over a leisurely drink before dinner.

The drink's usually sherry. But it can be anything. It's the *tapas* that make the excitement. A great bar in Madrid could have as many as 70. Even the smallest bar, no fewer than five or six. But whatever they serve, it has verve.

Fortunately for *aficionados* here, a *tapas* spread as varied as any in Spain is as close as your Goya Section. Look at our picture: Goya chick peas, seasoned & sauteed with onions. Goya mussels, shrimps & capers, marinated in Goya wine vinegar & extra virgin Spanish olive oil. Goya pimientos & garlic, drizzled with that classic oil. Cider poached Goya *chorizos* & apples. And Goya *empanadillas*, little spicy meat-filled turnovers, frozen, ready to heat. And Goya's wonderful giant scalloped crackers.

Goya has all kinds of makings for *tapas*, from great green olives & tuna & artichoke hearts to octopus & codfish fritter mix. Explore them. And next time it's your place for drinks, you can introduce *tapas*. By you. And by Goya. "Oh Boy a'"

Meet them at the Goya Section. Invite them over for drinks.

Want more Tapas ideas? Send stamped self-addressed envelope to Goya, Tapas, Secaucus NJ 07094

Claudio Aranzadi and José Ignacio Encinas are the guests of honor at the breakfast for Chamber "Juniors" at the Harvard Club.

viable in a diversified institution such as INI. When merged with Volkswagen, a leader in the automobile market, it was able to benefit from commercial and technological economies of scale by specializing in a specific type of automobile. Seat also took advantage of Volkswagen's worldwide distribution system and its global strategy.

This same criteria of maximizing the group's net worth has been applied in the twenty-three companies divested by INI during the last two years.

Introduction of Minority Stock Market Action Packages

In this case, the objective is financial rather than industrial, since INI retains the majority of capital and the management responsibility.

Until now this type of operation has involved GESA (gas and electricity), ENCE (paper processing) and ENDESA, the primary electrical utility in Spain.

With respect to ENDESA, the first INI company to be offered in international markets (Wall Street, June 1st), Mr. Aranzadi mentioned that the placement of twenty percent of Endesa's capital on the market will benefit INI with an inflow of 75 billion pesetas (over $600 million).

It should be highlighted that INI remains as the major shareholder of the company, for two main strategic reasons:

1. Industrial: Obvious regarding Endesa, because it represents more than thirty percent of the national production of electricity and has the highest level of efficiency and income-yield capacity in the Spanish electrical sector.

2. Financial: The INI investment in ENDESA is very attractive since its potentiality of remuneration of capital in the future is extraordinarily high. Endesa's "Payout" was forty percent in 1987.

Incorporation of Industrial Partners

Finally, partnership with industrial companies, either Spanish or foreign, that are complementary from a technological or commercial point of view permits, for example, the production of technologically complex products impossible to be developed and manufactured by an isolated company (an example is the production by CASA of certain components for the Airbus consortium such as the horizontal stabilizer made of caston fiber). And, in general, it is contributing to the creation of business units of greater size, more balanced in corporate structure, and more competitive internationally.

To conclude, Mr. Aranzadi pointed out that this new orientation of INI has resulted in considerable improvement (in four years the aggregate losses have been reduced by more than 75%) and in general is contributing to the increase of competiveness in the Spanish industrial sector. ☐

U.S.A. NEWS

Banco de Sabadell Opens New York Representative Office

On June 28, 1988 Banco de Sabadell opened its Representative Office in New York. The office is located in the Chrysler Building, 405 Lexington Ave., and the U.S. Representative is Javier Serrado.

Banco de Sabadell is a commercial bank which was founded in 1881 in the city of Sabadell, Barcelona, Spain. Currently its network includes 235 branches throughout Spain as well as a branch in London, and three in France. There is a Representative Office in Milan, in addition to the one opening in New York.

As of December 31, 1987 the bank had assets totaling 586,424 million pesetas (approximately U.S. $5 billion); it is ranked ninth in deposits among Spanish banks.

The primary objectives of the office are to provide an operative base in the United States for the promotion of the Bank's clients' products as well as to develop and improve relations with correspondent U.S. banks. ☐

At the inauguration of the Representative Office of Banco Sabadell in New York (L to R): Josep Oliu, General Technical Secretary, Banco de Sabadell; Chamber Executive Director Miguel Sebastiá; Juan Corominas, Chairman of the Board, Banco Sabadell, and Mrs. Corominas.

New York's Binational Chambers in Search of Greater Efficiency Through Cooperation

It is not an easy job for the Binational Chambers of Commerce in New York to maintain a balance between providing useful services to the membership and doing so in a way that does not conflict with those services provided by their members. The input through those activities has to include two more considerations: to foster the mutual knowledge of both countries, and to make some net income to cover the operating cost of running a Chamber.

It has been, and probably will continue to be, a difficult job for the Executive Directors to accomplish all these goals and still keep a good number of activities in the Chambers. The smaller the Chamber is, the harder it becomes to keep it operative and alive. The members of the Association of Executives of International Chambers of Commerce in New York are well aware of the problem and very sensitive to it.

Until his recent retirement, the President of the Association and Executive Director of the Brazilian-American Chamber of Commerce, Ambassador Frank Devine, had done a superb job leading and coordinating the efforts of all of us, before enjoying a fully deserved retirement.

The rest of the Executive Committee, Vice Presidents Fabienne M. Edmeades and Paulo d'Eça, of the British and Portuguese Chambers of Commerce respectively, and Treasurer/Secretary Patricia Erdman of the Indian Chamber, have kept the association in motion, hosting three major meetings with almost thirty of the most important binational chambers represented in New York.

A strong commitment of cooperation among all the Chambers has been reached and important improvements will be implemented through coordination in supplies purchase, social events, research, and information gathering. The ways to implement and finance regular channels to carry out the joint interest are well under study now by all the Executive Directors, including representation of the New York Chamber of Commerce and the U.S. Chamber of Commerce. ☐

Calls for Cultural Exchange Between American Hispanic Community and Japanese People

Mrs. Maria C. Cordova, Cultural Affairs Director of Capital National Bank in New York City, who recently concluded a Hispanic-American leadership mission to Japan as a guest of the United States-Japan Foundation, is convinced that efforts at the corporate level to create a cultural exchange between America's Hispanic community and the Japanese people should be initiated immediately.

The 14-person trans-Pacific mission, which took place May 6 to May 15, was aimed at "paving the way for greater understanding between Hispanic Americans, the Japanese people and their leaders," according to Dr. Herminio Martínez of Teachers College, Columbia University, who organized and led the visit. Carlos A. Cordova, president and chairman of Capital National Bank, a leading participant in the mission, commented that through "its ability to arrange face to face encounters with Japanese decision makers, the mission outdid the goals set for it by the Foundation. Our eyes were opened to vast mutual opportunities for economic benefit."

Mrs. Cordova serves on the boards of directors of the Contemporary Arts Council of the Brooklyn Museum, the Bronx Council on the Arts and the Bronx Museum of the Arts. She is also a member of the Manhattan Decentralization Program of the New York State Council for the Arts. Basing her conclusions on meetings between the touring group and Japanese officials and experts in the fields of foreign affairs, finance, education, industry and the arts, she noted: "Just as the Japanese have been largely unaware of the financial influence and artistic achievements of America's Latino community, Hispanics in the U.S.A. have had too little opportunity to enjoy the cultural treasures of Japan."

"We Hispanic business people have it within our power to communicate directly with our opposite numbers there," she said. "We share many of their values. They place great emphasis on family life, on career commitment, and on the value of carefully nurtured, long-term relationships. Our trip made it clear that they do not realize how distinct our graphic and performing arts are from the mainstream American culture. They are eager to know more about us." ☐

Banco de Bilbao Moves to Own Building on East 55th Street

The Banco de Bilbao, New York Branch, is now occupying its new quarters in the Bank's own building at 116 East 55th Street in Manhattan. The bank's office had been located in the General Motors Building, at 767 Fifth Avenue since July 1970, when it opened its Representative Office. In April 1975 it became an Agency, and on June 12, 1979, it was converted to a full-service Branch.

The Banco de Bilbao and Banco de Vizcaya are being merged and will become the largest bank in Spain when the merger becomes effective October 1, 1988, at which time Banco de Vizcaya-New York will also move to 116 E. 55th Street, and the new Banco Bilbao Vizcaya (BBV) will be in operation.

The new premises of Banco de Bilbao are expansive, attractive, and appropriately suited to attend to the needs of its clientele. ☐

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SPAIN'S NEW STOCK MARKET

THE UPCOMING REFORM AND WHAT IT MEANS TO YOU

A SPECIAL REPORT

Seminars are one of the most effective means of providing our members with useful and current information, while at the same time introducing new companies to the Chamber. As is traditional, the Seminar organized by the Chamber at the Sheraton St. Regis Hotel on Friday, May 27th, was of the highest quality, not only in setting, food and logistics but, most important, because of the participants. They were the most prestigious professionals, among today's key players in Spain's financial markets, who enriched the audience with their expertise in their speeches and answers to questions from the floor. Guillermo de la Dehesa, the Secretary of State for Economy, personalized the excellence of Spanish leadership.

Our sincere gratitude goes both to the participants and to the companies which made the Seminar possible. The committed sponsorship of Banco de Bilbao-Vizcaya, Banco Santander de Negocios, and Merrill Lynch Capital Markets proved of enormous value, and we are proud to share with them the credit for the success of the Seminar.

We hope you will find this special report interesting and informative!!!

Participants in the Seminar ...... page 18

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Portions of this report are based on an article, "Economic Policy Setting," Page 6, III of Occasional Paper #57 (Feb. 1988) by Augusto López-Claros, International Monetary Fund.

PARTICIPANTS IN THE SEMINAR

GUILLERMO DE LA DEHESA

Ministry of Economy and Finance

At the time of the seminar Mr. de la Dehesa was Spain's Secretary of State for Economy. He attended the University of Madrid where he studied economics and law. Upon graduation he entered the Spanish Administration as Government Economic and Commercial Advisor and has been involved in trade and economic negotiations with more than 60 countries, including all 24 OECD member countries. He has played a leading role in the drafting of the new laws liberalizing foreign investments in Spain as well as Spanish portfolio investments abroad.

Other executive posts held by Mr. de la Dehesa include: Director General of Trade Promotion at the Ministry of Commerce, General Technical Secretary for the Ministry of Industry and Energy, and Director of Foreign Currency Asset Management with Banco de España. He has also been an active participant on numerous Boards of Directors.

DRYDEN G. LIDDLE

Merrill Lynch Capital Markets, London

Managing Director of Investment Banking at Merrill Lynch Capital Markets in London, he is responsible for business development in Southern Europe.

Educated at Cambridge University, Mr. Liddle worked for the British Foreign Office and was assigned to the Mission to the United Nations and the Embassy in Madrid. After entering Banking with Chase Manhattan Bank in New York, he was assigned to their merchant bank in London and finally joined Merrill Lynch in 1981.

JOHN G. HEIMANN

Merrill Lynch Capital Markets

Deputy Chairman of Becker Paribas, Mr. Heimann became Vice Chairman of Merrill Lynch Capital Markets—a worldwide leading provider of financing and investment services to corporations, institutions, and government services—when Becker Paribas, a financial services firm, was acquired.

Holding a B. A. in economics from Syracuse University, Mr. Heimann is a former U.S. Controller of Currency, and for over three decades has held prominent positions in public and private sectors. Mr. Heimann's banking career has been built both in commercial and investment banking.

He serves in the Advisory Board of the Yale School of Management, is a trustee of the Financial Accounting Foundation, and on the boards of the New York City Housing Partnership and the Citizens' Committee for New York City. He is also treasurer and a board member of Group Thirty, an international, nonpartisan organization which sponsors research on international economic and monetary policy issues.

JUAN F. ARMESTO

Uria & Menendez

A partner at Uria & Menendez, Juan F. Armesto's main area of activity relates to financing, mergers and acquisitions. He has participated in the adaptation of the Spanish legal system to the International Financing Techniques floating rate financing, leverged buy-outs and management buy-outs.

The author of various books and articles on legal topics, Mr. Armesto holds a degree in law and a MBA from I.C.A.D.E. (Madrid), as well as a Iuris Doctor from the Universidad Autónoma of Madrid. He is also a Professor at the Universidad Pontificia of Madrid.

JUAN RODRIGUEZ INCIARTE

Banco Santander de Negocios

Chief Executive Officer and member of the board of directors of Banco Santander de Negocios, Mr. Rodríguez Inciarte joined the Banco de Santander Group in 1985 to establish the Merchant Banking Unit.

He is a graduate in Economics of the University of Madrid. Other executive positions held by Mr. Rodriguez Inciarte include corporate banking at the Midland Bank Group and at Chase Manhattan Bank, both in London and Madrid.

He also teaches Economics at the Universidad Autónoma of Madrid.

LUIS I. FONTES

Banco de Bilbao

Head of the Foreign Investments Department, Mr. Fontes previously was Deputy Director of the Special Financing Department of Bilbao Merchant Bank and Manager of Investment Banking and Trust Division of Société Générale de Banque.

A cum laude law graduate from the University of Louvain (Belgium), Mr. Fontes has also been an associate attorney with one of the most prestigious firms in Brussels.

John G. Heimann

Guillermo de la Dehesa

RODRIGO URIA

Uria & Menendez

A Senior Partner at Uria & Menendez, one of the most prestigious law firms in Spain, and highly regarded in the fields of commercial law, contracts, mergers and acquisitions, banking and foreign investments, Mr. Uria has been working in New York with a U.S. law firm with particular involvement in international financing.

Rodrigo Uria is member of the Madrid and Barcelona Bar Associations, the Spanish Court of Arbitration, the International Bar Association, the Spanish Society of Maritime Law and the board of trustees of the Spanish Museum of Contemporary Arts.

A prominent writer on legal issues, Mr. Uria is director of all legal matters concerning the integration of Spain into the EEC at the International University Menéndez Pelayo, Santander. He is also a member of the boards of directors of Barclays Bank, S.A.E. and of Santander Met, S.A., and Secretary of the board of Directors of Cementos del Norte, S.A.

EMILIO RECODER DE CASSO

Pizarro & Recoder Agentes de Cambio y Bolsa Asociados

An agent at the Madrid Stock Exchange, Mr. Recoder de Casso is Senior Partner and General Manager at Pizarro & Recoder Agentes de Cambio y Bolsa Asociados, and a member of the Security Exchange Commission.

A state attorney since 1971, he has also acted as a lawyer for the General Courts since 1977 (legal counselor of the Budget Commission and Deputy General Secretary of the Senate).

Among the most important posts he has held: Chief of Staff of the Finance Cabinet Madrid Delegation, Chief Legal Advisor at RTVE (National Television of Spain) and the National Tourism Office, and attorney to the Constitutional Tribunal.

JAVIER MENDEZ

Banco Vizcaya

Chief analyst for stock markets of the Capital Market Department of Banco de Vizcaya, Mr. Mendez holds a Ph.D. in Economics from the Universidad Complutense of Madrid, and a MBA and a Master in Financial Management from the Instituto de Empresa, Madrid.

His professional career includes positions as Chief Analyst of Foreign Investments at Gesterior, the mutual fund managing company of Banco Exterior de España; Chief Analyst and Foreign Investment Manager of Fisconsult-Gesconsult, a private financial service company; and Financial Analyst and Fund Manager in Inversions and Estudios Financieros, S.A. ☐

I. THE SPANISH ECONOMY IN 1987

The 1987 balance sheet for the Spanish economy is clearly positive. According to the National Institute of Statistics (INE) provisional estimates, Spain's economic expansion surged ahead last year, raising real GDP growth to 5.2%, which is an all-time record since the start of the crisis and twice the growth rate registered by major world economies. The spectacular increase in domestic demand stems primarily from the sharp 5.2% rise in private consumption and, particularly, the 13.8% upsurge in gross fixed capital formation, with 10.5% reflecting investment in construction and 19.0% capital goods investment. This upturn in capital goods investment should be viewed as highly positive, for it ensures the expansion and modernization of Spain's production capacity, heightened productivity and competitiveness and an adequate level of growth and job creation in the future.

One of the highlights of the 1987 economic balance was, no doubt, the improvement in *employment*. After the net creation of 311,900 new jobs in 1986, some 371,000 new positions opened up in 1987, raising to 814,500 (up 7.6%) the net total number of new jobs generated since the second quarter of 1985, a moment in which the labor market decidedly changed course. Nevertheless, the total labor force grew by an equally notable 335,800 persons, with women accounting for 80.5% of this figure (270,000), practically cancelling out the improvement in employment. As a result, the *jobless rate* remained virtually unchanged. In this regard, the average reduction of 4,300 unemployed workers in 1987 reflected an increase of 104,200 unemployed women and a decrease of 108,500 men.

After this basically positive balance sheet for 1987, a year in which economic progress was bolstered on all the country's major fronts, *short-term prospects* are shaped by the need to maintain current economic expansion (conditioned by a rather unfavorable international climate), to preserve and strengthen Spain's basic balances and to preclude the harmful effects of foreign sector bottlenecking, arising from far too wide a gap between the domestic growth rate of Spain and that of other industrialized countries.

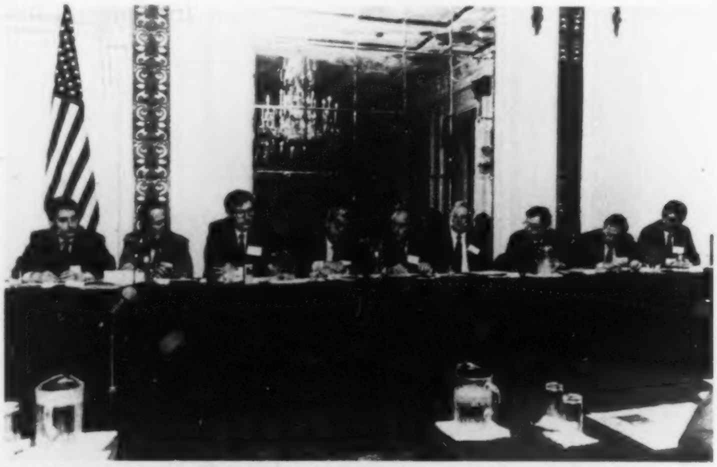
In this regard, little support can be expected from the international economy, since forecast industrial growth worldwide is relatively low. Nonetheless, no pressure is expected to be exerted on the price of raw materials—crude oil, in particular—or on exchange rates or financial markets.

The primary objectives of Spain's economic policy will continue to be to strengthen the country's investment and export capacity. This, in turn, means maintaining and enhancing competitiveness and profitability, moderating unit production costs, gradually reducing the cost of credit, better allocating resources and fixing the value of the peseta that, without artifically supporting exports, does not obstruct the flow of Spanish goods and services abroad.

Bearing in mind the international economy, the general aims of economic policy, the opportunities gradually being afforded to Spain as a member of the European Community and the strengthening of the country's current economic expansion, *economic growth* for 1988 and 1989 will remain high, running at around 4%, with the gap between domestic and foreign demand narrowing. Also forecast are a steady drop in the rate of *inflation,* which will eventually match that of other EC countries, a reduction in the *public deficit* (along with a broader role for investment and the upgrading of public services), and the creation of new *jobs.* Finally, the gradual worsening of Spain's foreign trade balance, resulting from a higher domestic growth rate than that of other Western countries, albeit of particular importance, should not be regarded a factor conditioning the country's near future, given the latitude offered by Spain's high level of reserves and, after the exceptional levels registered during the first two years of EC membership, the expected normalization of the income elasticity of imports.

As for the *international economy,* in 1988 the growth rate of OECD countries is expected to fall off by half a percentage point. Though a far cry from the recession predicted by some observers in the wake of last October's stock market crisis, this rate, forecast to hover around 2.5% for the area as a whole, is still relatively low. Despite lingering uncertainties, 1989 should also witness a similar rate of growth.

Lastly, 1988's growth rate of employment, though slightly below that of 1987, should continue to be healthy. Nevertheless, if the high influx of new, mainly female, workers into the labor market continues, the reduction in the jobless rate will be curbed considerably.



The dais at the Seminar (L to R): Javier Mendez, Emilio Recoder, Luis I. Fontes, Rodrigo Uria, Luis Benitez de Lugo, Dryden G. Liddle, Juan F. Armesto, Juan Rodriguez Inciarte, Miguel Sebastiá.

The assumption regarding economic trends in 1989 are subject to a greater degree of uncertainty and are based on a slightly more depressed international economy. In general, these forecasts point to a slight downturn in domestic demand and employment, though their respective growth rates will outdistance those of other Western countries, and a further reduction of the negative contribution of the foreign sector to GDP growth.

The main aim of current *economic policy* is to bolster a high rate of growth, which will generate new jobs and lower unemployment, to modernize the country's production system and to prepare the economy for its role in the 1992 single European market. Beyond a shadow of a doubt, the adjustment in foreign trade balances, inflation and public deficit accomplished in recent years has helped to achieve that aim and should ensure the continuance of the current economic upswing.

Nevertheless, attention should be given to the medium-term factors that could upset the self-sustained growth of production and, in particular, to keeping Spanish products competitive. In this regard, though the high level of reserves and the influx of foreign investment afford ample room to maneuver, the structure of Spain's economic growth should gradually be brought into balance by reducing the foreign sector's negative impact on the country's real growth rates.

Over the last three years, capital goods investments rose by 46% in real terms, giving evidence that Spain's production system is quickly modernizing. Little by little, this process is helping to reduce the income elasticity of Spanish imports and to carve out a large market share for Spanish exports. To ensure the attainment of both these objectives, unit labor costs must be kept down and measures must be taken to prevent the influx of speculative capital from exerting upward pressure on the peseta.

For its part, 1988 fiscal policy, with the latitude afforded by automatic stabilizers set in motion when economic activity is high, aims to continue paring back the General Government borrowing requirement in terms of GDP, without reducing its role in the expansion of domestic demand. This objective will be obtained, in the case of gross capital formation, by increasing public investment, and, in the case of consumption, by increasing in real terms social benefits and by adjusting downwards personal income tax rates.

II. THE SPANISH STOCK EXCHANGES

Spain has four Stock Exchanges which act independently of each other, situated in Madrid, Barcelona, Bilbao and Valencia. During 1987, the Madrid Stock Exchange accounted for approximately 81 percent of the turnover in equity securities on all four exchanges.

Listed securities for both the Madrid and Barcelona Stock Exchanges are divided into two markets. The "first" market comprises most of the listed companies while the "second" market is incipient. The listing requirements for the two markets are as follows:

- The minimum requirements regarding profit and dividend levels for the "second" market are less restrictive than for the "first" market which requires that the profit after tax for the last two years or for three non-consecutive years out of the last five years be at a level which will permit payment of a six percent dividend on the issued capital after legal reserve requirements have been met;
- A company listed on the "second" market is not required to have a minimum number of shareholders whilst a company listed on the "first" market is required to have at least 100 shareholders;
- The minimum share capital requirement for the "second" market is Ptas 25 million as compared to Ptas 200 million for the first market (excluding any block of shares which is owned by one shareholder and which constitutes 25 per cent or more of the company's share capital);
- A "second" market company must make 20 per cent of its shares available to the market maker.

(L to R) Javier Mendez, Emilio Recoder, Luis I. Fontes.

Shares may be listed in either registered or bearer form. The Ministry of Economy and Finance has established rules for the exchanges with respect to listing and disclosure requirements, including examination of financial statements.

The number of companies whose equity securities are listed on the Madrid Stock Exchange has declined from 527 in 1978 to 312 as of 31st December, 1987. As at 30th April, 1988 the number of companies whose equity securities were listed on the Madrid Stock Exchange was 324, of which two traded on the "second market".

Trading on the Madrid Stock Exchange takes place

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each business day from 10.00 a.m. to 1.00 p.m. with a specific trading time allotted to each of the nine industry groups. Trading of equity securities occurs by an open voice auction system. Such trading activity has traditionally taken place only during the time allotted (*"corro"*) to the industry group to which a company belongs. The "quoted price" for each stock is the closing price of that stock at the end of the *corro* for the relevant industry.

Equities, government securities, bonds, and other financial instruments are traded on all four exchanges. All transactions must be effected through an official broker, who cannot be a member of more than one exchange. Brokerage commissions are fixed by each stock exchange and approved by the Ministry of Economy and Finance.

The regulations of the Madrid Stock Exchange provide that trading in a particular security is not permitted if daily orders to buy (or sell) that security exceed the corresponding orders to sell (or buy) that security by five times or more. The regulations of the Madrid Stock Exchange also prohibit upward and downward movements in the prices of securities in excess of 20 per cent of the previous day's quoted prices.

Substantial trading in listed securities is transacted off the Madrid Stock Exchange. The Madrid Stock Exchange requires that, unless prior approval has been obtained, such trading must take place at a price within the range at which a transaction has occurred during trading on the Madrid Stock Exchange. The prices of equity securities are currently quoted on all four exchanges as a percentage of nominal value although the Madrid Stock Exchange has proposed that trading prices be quoted in Pesetas.

The Madrid Stock Exchange permits trading on margin in securities which are on an approved trading list. The approved list comprises 25 listed companies and does not include any banks. Since the October 1987 decline in prices, the regulation of margin trading by the Madrid Stock Exchange has been tightened. In 1987 the total volume of margin trading was approximately 212 billion Pesetas, up 52 percent on the preceding year. The Madrid Stock Exchange also permits short sales of securities on the approved margin list. In 1987 short sales were approximately 31 billion Pesetas, up 213 percent on the preceding year. Of the total trading volume of the companies on the approved margin list, margin buying accounted for approximately 11 percent of the total volume and short selling approximately two percent.

Regulation of the Spanish Stock Exchanges. Each of the four exchanges is primarily self-governed by a council (the "Board of the Stock Exchange") elected by official brokers who are members of the respective exchanges, and are subject to the general supervision and direction of the Ministry of Economy and Finance.

The Government has proposed, and the Parliament is considering, legislation to change the regulation of the Spanish stock exchanges, including the tightening of listing and reporting requirements for listed companies, the incorporation of brokers, the formation of brokerage partnerships, a linking of the four stock exchanges' floors by computer and a new regulatory scheme involving greater participation by the Ministry of Economy and Finance and the creation of a new regulatory authority.

Spanish Stock Exchange Indices. The Madrid Stock Exchange has 11 indices: the Long Term Index, the Primary General Stock Exchange Index (the "General Index") and nine separate indices for each market sector. The most widely used index is the General Index.

The General Index is prepared by the Stock Exchange Board and includes 74 stocks listed on the Madrid Stock Exchange. The composition of the General Index is modified on a yearly basis at the end of each year for the ensuing year. The component stocks within the General Index are weighted each year by reference to market capitalization. For 1988, the relative weightings of the different sectors in the General Index are as follows:

Sector	Weighting %
Banks	45.5
Utilities	14.4
Communications	10.4
Construction and Real Estate	7.0
Chemicals	6.5
Steel and Automobile	5.8
Food and Beverage	4.5
Closed-ended Funds	2.7
Other	3.2
	100.0

Source: Madrid Stock Exchange

III. THE STOCK EXCHANGES: EVOLUTION 1983-1987

Created in 1831, the Madrid Stock Exchange concentrates over 75% of total securities volume traded in the four Spanish *"Bolsas de Valores"*.

Total market capitalization for equities and fixed income has increased remarkably since 1983 from $35.4 billion to $126.3 billion in 1987. This is a 3.5 times increase during the period 1983-87.

In the equity market alone, the increase is even larger, from $15.2 BN in 1983 to $68.9 in 1987, a 4.5 times increase for the same period. The equity market grew in market capitalization terms almost 30% more than the whole market. Currently the relation of total market capitalization to GDP stands at a relative low level of 21.2% compared to that of other industrial countries.

Volume has had an even more impressive boost for the same period, moving from $1.22 billion in the year 1983 to $32.9 billion in 1987. This is an increase of almost 27 times for a four year period. The volume increase is really significant from the year 1985 ($4.39 billion) to the year 1986 ($23.36 billion). This represents a 5.3 times increase in one year, the year in which Spain joined the European Economic Community.

	Equity Volume Traded (US $ BN)	Equity Market Cap. (US $ BN)	Market Cap. Equities & Fixed Income (US $ BN)
1983	1.22	15.2	35.4
1984	2.55	20.1	41.8
1985	4.39	26.4	38.4
1986	23.36	57.4	106.4
1987	32.9	68.9	126.3

Foreign investment increased dramatically since the time when Spain joined the European Economic Community in the purchase side from $0.8 billion to $8.1 billion for the period 1985-1987.

In this sense, foreign investment in the Spanish Market has played an important role. Due to Spain's growing international economy and its stable political situation international investors today increasingly include Spain in their worldwide diversified portfolios, often assigning to it a weighting well above that which Spain has in the Morgan Stanley Capital International World Index. This is proof of the importance of the Spanish Market in the world today.

In addition, the amount of foreign investment has resulted in both an increase in liquidity and a broadening of the market.

The Madrid General Share Index increased as follows during each year in the period from 1984 to 1987:

	Index at 31-12
1984-40%	140
1985-35.7%	135.7
1986-108%	208
1987-9.1% (including the October Crash)	227.8
1988-32% (through August 8th)	300.0

IV. MARKET DEVELOPMENT

The success of the Spanish Stock Market is explained not only by the underlying fundamentals of the securities traded but also by the participants in the market. Corporations are not so reluctant anymore to disclose the information required, which leads to a more appropriate valuation of issues by current and prospective investors. Moreover, the increasingly sophisticated research and brokerage services offered by the sell-side agents have contributed significantly to an improvement in the accessibility and efficiency of the market.

The development of the market towards a higher level of efficiency, together with the increase in volume traded, and as a result an increase also in liquidity, have attracted foreign investors to the Spanish market as another investment opportunity.

One of the most important attributes of a market is its liquidity. The market should create enough liquidity to allow any investor to sell or buy without affecting the price. The Spanish market has always been very thin, but recently, with the increase in volume and new regulations, liquidity has improved.

Traditionally, a 5% limit was set on price movements in order to prevent excessive fluctuations in prices that were not justified by rational fundamentals. This limit has recently been increased, as its advantages in terms of control over price volatility have been thought not to balance the implied liquidity constraints, as was demonstrated by the October 1987 decline. Currently a 10% price fluctuation limit is set, with the exception of a 20% price fluctuation limit when the volume exceeds 5,000 shares.

As in most stock exchanges—but in the Spanish case to a much higher degree—blue chips are predominantly more liquid stocks than the rest of the market and non-blue chips are highly illiquid.

Liquidity is not only given by the market but also by the institutions in the sell side which provide block trading possibilities not achievable with the current market structure.

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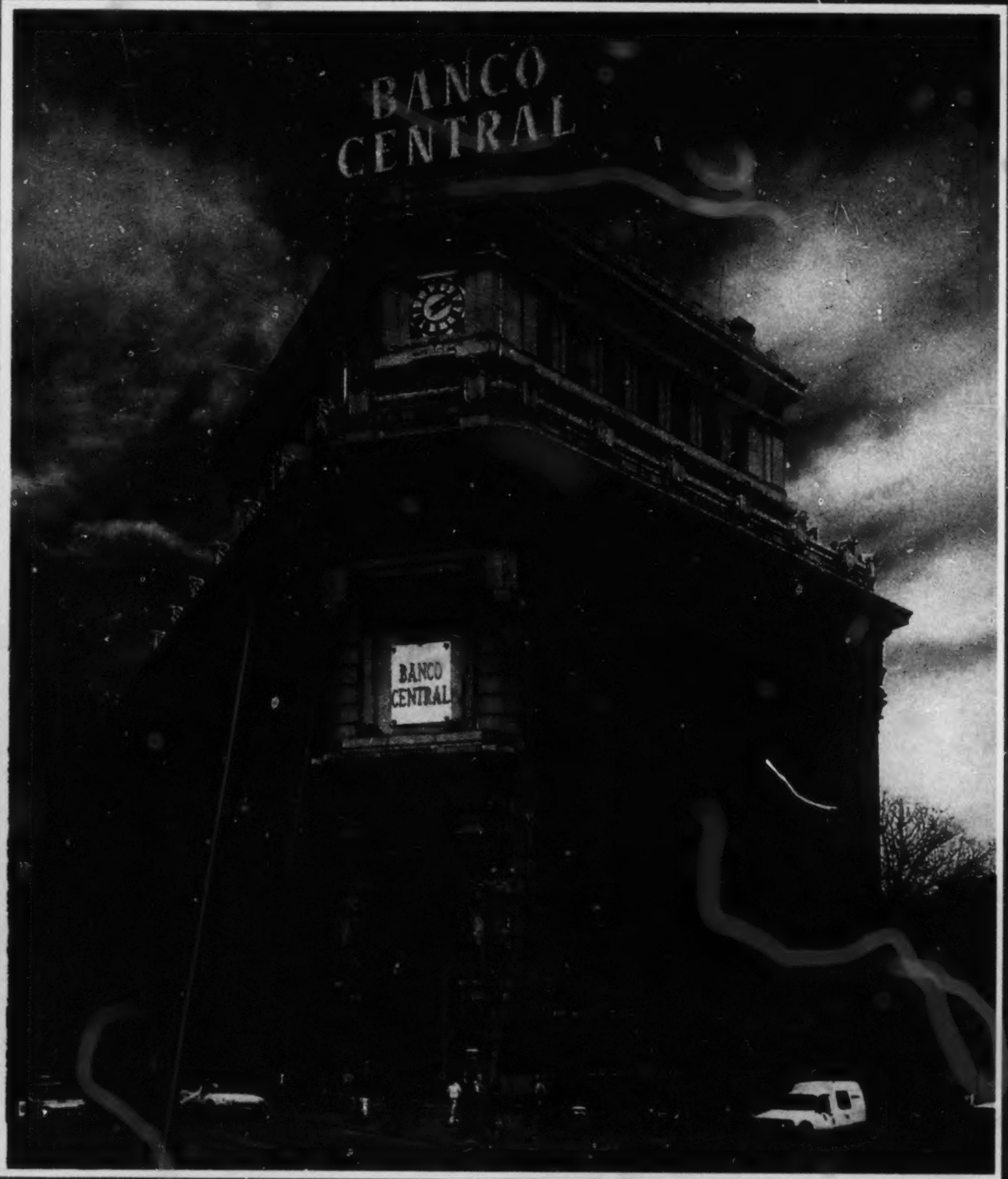

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LIQUIDITY INDEX

Base 1983 = 100

1983	100
1984	158
1985	207
1986	508
1987	596

The liquidity index measures the increase in volume traded immunized for increases in market capitalization. From these figures we can see that liquidity has multiplied by almost six times for the period 1983 to 1987.

The new pension fund reglament, which will allow pension funds to invest in the stock market and increased investment in equities on behalf of domestic institutional investors (who currently invest very little in shares), as well as the development of mutual funds, should help increase liquidity.

In the Trading Side

Trading in shares is currently done at the market through different systems:

a. **The open outcry system or the auction system** is the traditional one used for most stocks (all except banks). Stocks are traded in the physical market in trading pits which have a time schedule for each stock. These trading pits last uup to 10 minutes. From these pits the official prices are set. In general, the closing price is the reference price for most of the block trading transactions done outside the market.

b. **The so called "box system"** is used for trading in bank shares. It is a computerized program in which buy and sell orders are entered as an input and the output is the price and the percentage covered. The system calculates the price at which the maximum volume of business can be transacted.

Two complementary rules are followed:

- A price fluctuation limit previously explained.
- Different procedures when supply and demand have a clear mismatch. The extreme case is when either supply or demand covers the other in less than twenty percent. In this case, there is no trade for the day.

The stock exchange is regulated by the *"Junta Sindical"* (stock exchange committee) which imposes strict rules on market participants to protect investors. It is a self-regulated body giving the stock exchange its reputation for integrity.

The "Junta Sindical" acts as a central clearing house between banks and brokers, eliminating considerably the movement of funds as settlement is effected by the balances between purchases and sales.

There are three different settlement systems:

a. **BEARER-FUNGIBLE SHARES** *(Nuevo Sistema de Liquidación)*. Approximately 85% of the quoted Spanish shares use this settlement procedure. Under this system there are no physical deliveries of shares certificates. These are replaced by technical references (book entries) created by the Junta Sindical computer system.

Each purchase therefore has its own technical reference, which is filed by the computers of the Junta Sindical. When a sale takes place, this administrative unit checks the "technical reference" presented to cover that particular sale.

All these "technical references" are backed by the actual shares, and it is the "Servicio de Coordinación de Bolsas" which will act as the clearing house for the physical titles.

b. **BEARER SHARES.** Ownership of bearer shares changes by physical delivery without any kind of registration by the issuing company. Settlement under this system requires physical delivery and therefore the length of time required is longer.

c. **REGISTERED SHARES.** Share certificates of this type are issued bearing the name of the owner. The procedure for settlement is similar to that described for the bearer shares. The only difference is that it involves the registration of the new owner by the issuing company.

Settlement procedures are improving enormously, mainly as problems arising from the current complex Spanish system are worked out.

The problems generated by the Spanish settlement system are due to two sorts of situations:

First, Spanish settlements departments were overwhelmed by an unexpected increase in volume. This demonstrated that settlement infrastructures were insufficiently developed to cope with the volumes being transacted in the market; and

Second, overseas investors were unfamiliar with the Spanish settlement procedures.

As a result, some Spanish institutions took the measures necessary to restructure their settlement capabilities, increasing their human resources and automating as much as possible.

(L to R) Dridden G. Liddle, Juan F. Armesto, and Juan R. Inciarte.

V. REFORM OF THE MARKET: THE NEW LAW

At the moment we find ourselves in a situation in which the market has grown considerably and we are heading towards its reform. The reform of the securities markets will lead us to a higher level of efficiency in various areas:

- The new dealing participants introduced by the law, companies which will act as brokers and broker-dealers, will increase liquidity, maintaining a continuous and orderly market due to their market-maker characteristics.
- Liberalization of brokerage commissions will increase competition, forcing inefficient companies to restructure their resources and lowering transaction costs in an open market situation.
- The continuous market will allow prices to better reflect all the public information and will permit investors to perform transactions through a longer period of time.
- On the settlement side, the simplification of current procedures and the aim of carrying settlement within two days would reduce the time gap between trading and settlements thus making fund management more efficient.

Clearly, the law of reform of the stock exchange will have a major impact. Capital needed to be active in the business will be greater; liquidity will be enhanced by the market-making role that broker-dealers are expected to undertake; a more rational commissions structure will be developed which would lead small investors to make their investments through collective investment schemes (expected to grow substantially for this and other reasons) instead of investing directly; foreign firms are expected to participate in the marketplace, which would enhance the internationalization of the Spanish equity market. In sum, the overall effect will be quite positive, and add to the professionalism and efficiency of the system.

In the current year we are watching intense activity in the takeovers field. Despite the obstacles that current regulations represent, there will be an increased use of the stock market in this area. Probably one of the most important phenomena taking place now, not only in Spain but in the whole of Europe, is the preparation of major industrial and financial groups for the key year of 1992. In the future, it would no longer be sufficient to be strong and successful in one's national market, but a solid and dynamic internatiional strategy will be needed. The stock market is one of the instrumental elements to this process.

Finally, the government will intensify its privatization efforts in the current year, as long as the markets remain favorable. Apart from producing all the obvious effects stemming from privatizations, in the case of Spain it will help to have a stock market that better reflects the nation's economic reality. Likewise, more companies will be floated, again subject to market conditions.

With so many new developments it is difficult to draw a conclusion for the future of the Spanish equity market—internationalization, privatizations, takeover activity, new pension funds, profound market reform—it may be difficult to cope with everything at the same time. But there is little doubt that the combination of all these events will result in a more efficient, better organized marketplace, and that would be to the benefit of both the financial system and all its players.

There can be no doubt that one of the prime objectives of the Law is to reinforce the system, in light of the prospect of a European capital market in the now not too distant future—in 1992. In this way, in line with developments taking place in other sectors of the Spanish economy, steps must be taken to adapt the Spanish Stock Market to the changes that have taken place in the other member states of the European Economic Community.

Important Changes in the Law

Without doubt, one of the most fundamental aspects of the new regulations is the creation of the National Stock Market Commission (Comisión Nacional de Mercado de Valores). This body is entrusted with the supervision and inspection of the market, in addition to the major role it is to play in the actual implementation of the Reform. The Commission will have individual legal status and will be governed by a Board of Directors whose functions will include, among others, ensuring the transparency of the markets, the correct formation of market prices and protection of the investors.

The Law contains a series of provisions relating to the operation of the Stock Markets which imply radical changes in the legal framework that is currently applicable to stock market transactions. The most important of these changes is the disappearance of the concept of the obligatory attesting of documents by the current stockbrokers. Instead, mediation is to be performed by at least one body which is a member of the Stock Market. This role will be played (with certain exceptions which we will see later) within a free fee system and subject to adequate supervision, and it is intended to integrate all operations on the Stock Market.

The Stock Market will be organized around two corporate figures: "Sociedades de Valores", or Stock Market Companies, and "Agencies de Valores", or Stock Market Agencies, which will be the only members of the Stock Markets, subject to a series of conditions which we will discuss below. The "Bolsas de Valores", or Stock Exhanges, (which change their name from "Bolsas Oficiales de Comercio") will be governed and administered by corporations whose capital stock is reserved to members of the Stock Markets, that is, to the abovementioned Stock Market Companies and Agencies.

The purpose of the introduction of these bodies is to ensure that financial solvency of those Market Agents who perform activities that imply considerable potential risks. In this respect, the Stock Market Companies are authorized to act on their own behalf and on behalf of third parties (that is, a dealer broker), whereas the Stock Market Agencies may only operate on behalf of third parties (that is, a broker). The Law does not limit the number of these bodies and nor does it restrict the shareholders, although it does set a maximum limit on the participation of individual shareholders. Finally, and I quote, "with a view to safeguarding the successful conclusion of the operations performed by the members of the Stock Exchange on behalf of third parties", a Guarantee Fund is created, to be funded by members' contributions.

Above all, the Law establishes the principle that dealings on the Stock Market are reserved to Stock Market Companies and Agencies.

A further innovation included in the Law, and which is due to the need to implement mechanisms to permit rapid development of information (in line, moreover, with the systems in operation on the most modern markets), is the introduction of a Stock Market Interconnection System which is to be integrated through a computer network. In this way it is hoped to achieve a maximum degree of computerization in dealings related to a group of stocks which have an important role in and influence on the formation of market prices and trading, in order to maximize efficiency in operations involving this stock.

An additional aspect studied with a view to increasing efficiency is that relating to the systems of clearing and settlement of Stock Market transactions. In this respect, the Law establishes the basic principles for the introduction of a new Stock Market Transactions Clearing and Settlement Service which will take the form of a corporation and in which, logically, all the Market Agents involved in such operations will participate.

Furthermore, the Law establishes and specifically contemplates the general framework for Public Purchase Offers, more commonly known in Spain as "OPA's" (and which have acquired fame in recent months in Spain, in line with common practice on other world markets). The underlying philosophy in this respect is the desire to overcome certain limitations and uncertainties contained in the existing regulations (which date from January 1984). The Law also introduces the concept of public sale offers, with a view to regulating a series of specific cases of new share issues, such as, for example, the sale of foreign stock in Spain.

A further fundamental aspect of the reform is the regulation of what we may call the "code of conduct for issuers, agents and investors", particulary, as is natural, in respect of the activities of agents. The final objective of these regulations is simply to protect the interests of the investors and to ensure transparency of the market. The Law contains various provisions in this respect, most importantly in connection with the use of privileged information for personal benefit (which is currently subject to no regulations whatsoever in Spain) and the obligation to make public all facts or decisions that may influence the listed prices of any stock, as well as all transactions that may lead to individuals' shareholdings in the capital of companies being increased or reduced above or below certain specific limits. ☐

$1 = Pts. 112.3 (May 23 New York Closing Exchange Rate).

VI. PRESENTATION BY GUILLERMO DE LA DEHESA

The presentation by Guillermo de la Dehesa, then Secretary of State for Economy, which concluded the May 27 Seminar, covered three major points:

- How the Stock Exchange Reform is embodied in the overall reform of the Spanish financial system;
- What future reforms are planned; and
- Timing of present and future reforms.

Guillermo de la Dehesa (left) answers a question from the floor.

Spanish Financial System Reform

Reforms have been developed over the last year and a half which affect not only the stock market but also the credit institutions, public debt, and other areas of the financial markets.

These reforms include:

- The new credit institutions law, creating universal banking for Spain. This law harmonizes all the various treatments for the supervision and control of Spanish credit institutions and introduces the following changes:
  - a) The liberalization of all interest rate commissions on the banks' assets and liabilities, in addition to the reduction of the compulsory investment coefficients for the banks.
  - b) Liberalization of all foreign currency outstanding loan positions.
  - c) Liberalization of the forward market for the Spanish peseta.
  - d) Introduction of a new law reforming the cooperative bank movement.

SPAIN'S NEW STOCK MARKET

- The reform of the public debt, which has as its two major components the following changes. First it introduces a limitation on the amount the Spanish treasury can finance from the Central Bank. And second it creates one of the most liquid markets in the world through a treasury book entry system with same day settlement. This system has already been operating for six months.
- The stock exchange reform law, which has as its major components the following:
  a) Individual stockbrokers will be replaced with companies that will act as brokers and broker-dealers. Foreign ownership of the brokers and broker-dealers by other EEC countries will be allowed.
  b) Dealing commissions will be freed.
  c) The Corro system for the sale of stocks will be replaced by a continuous computerized market.
  d) Issues relating to public tender offers "OPA's", insider trading and investor protection will also be regulated.

Mr. de la Dehesa discusses a point with an attendee at the Seminar, as Rodrigo Uria and José Ignacio Benjumea listen.

- There will be a new auditing law that will set norms and regulations on how companies must disclose their financial information, and will also set minimum standards.
- The last major law reform presently being implemented pertains to pension funds. It will be approved and put into place in July 1988.

Future Reforms

It is presently planned that public debt compulsory reserves held by the banks will be reduced. This should enhance the liquidity of the banks and their level of investment in other financial instruments. The last reform being contemplated is one that will improve the breadth of the stock market by providing fiscal incentives to privately owned corporations to list in the stock exchange.

Timing of the Reforms

The new stock exchange law approved in July 1988. The law will gradually become in force over the next year on approximately the following schedule:

- December 1988: The law dealing with OPA's and private markets.
- February 1989: The law that applies to La Comisión Nacional de Valores will become effective.
- March 1989: Minimum capital requirements for companies which are members of the stock exchange must be met. The government will also name and appoint a government delegate to promote the settlement system.
- April 1989: Registration of all brokers and dealers that will be members of the exchange must be completed.
- June 1989: The new stock exchange companies will create a new legal entity that is recognized by the law and which will oversee the stock exchange.
- July 1989: The full law will be in effect with its regulations. The market will start operating.
- Up to December 1989: Other EEC member resident companies will be allowed to purchase an interest in stock exchange member companies on the following schedule:

1989—Up to 30% ownership
1990—Up to 40% ownership
1991—Up to 50% ownership
1992—Up to 100% ownership

Companies of non EEC members which have a subsidiary with residence in any EEC country will be allowed to invest on the basis of the above schedule, however with one caveat: the ultimate country of origin must allow for reciprocity by Spanish companies.

Effects of the Reforms

The reforms are geared to making the companies that form the stock exchange more competitive. They are the basis of the stock exchange, not the stock exchange itself.

The physical aspects of the implementation of the reforms will be fully in place well before the law comes into effect. The computerized continuous market with the interconnection of the four stock exchanges will be shortly a reality.

At the end of 1988 every Spaniard will be allowed to invest 100% of his net worth in other EEC countries (this is presently limited to 30%). Every Spanish company will be able to issue its stock in any EEC country, and there will be mutual recognition of prospectuses. Competition among EEC countries' stock exchanges will be strong and the exchanges that provide the greatest liquidity and the best settlement system will be the ones that attract the best companies. Our reforms are geared to making Spain's stock market competitive with those of the rest of EEC member countries. ☐

Special thanks are due for assistance in the preparation of this section on the Spanish Stock Market to **JUAN H. PUJOL.** Mr. Pujol is President of JHP Enterprises, Ltd., a newly formed merchant bank based in New Canaan, Connecticut, specializing in providing advice in cross-border mergers, acquisitions, divestitures and leveraged buyouts between the U.S. and Europe, with a special expertise on the Spanish market. Mr. Pujol had been previously for six years with Lloyds International Corporation, the merchant banking unit of Lloyds Bank Plc. in the U.S. where he headed their mergers and acquisitions group; prior to that he had worked for Bankers Trust for three years in various capacities. Mr. Pujol graduated from Boston University with a B.A. in geography, and from The Pennsylvania State University with a M.B.A. in international finance. He was born and raised in Barcelona, Spain.

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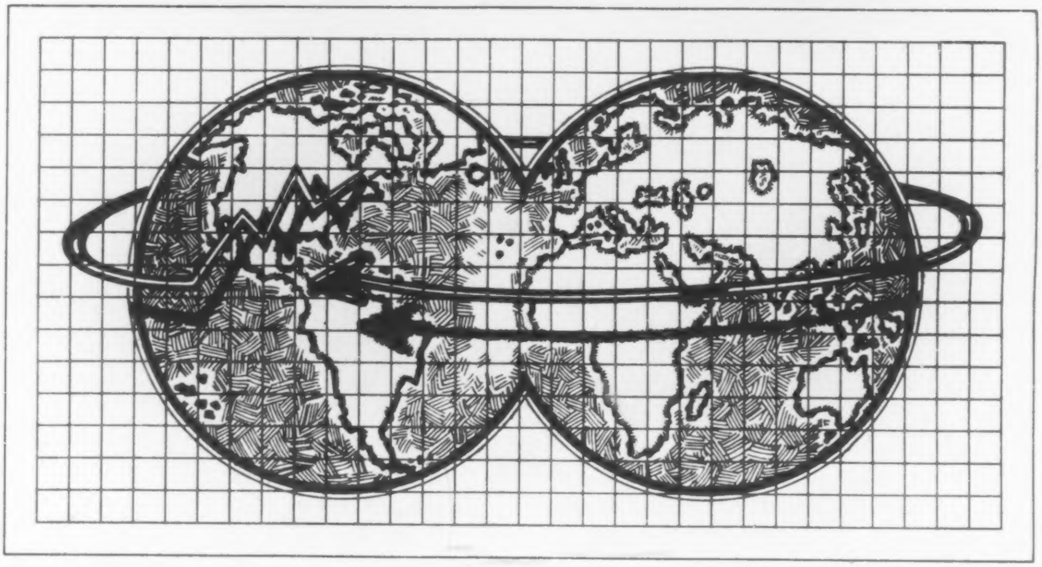

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Banco Central ADR's on the New York Stock Exchange, 1988

FIRST QUARTER

1. Volume	$319,400
2. Average volume per transaction	1,935
3. Daily average volume	175,840
4. Opening price—ADR	27½
5. High price ADR—first quarter	27½
6. Low price ADR—first quarter	24¼
7. Closed price ADR	26¼
8. Average price	25⅞

SECOND QUARTER

1. Volume	$119,100
2. Average volume per transaction	1,072
3. Daily average volume	83,840
4. Opening price—ADR	26½
5. High price ADR—first quarter	28½
6. Low price ADR—first quarter	24¾
7. Closed price ADR	26¼
8. Average price	25⅞

As one can see, Banco Central's ADR's had a price range between a low of 24¼ and a high of 28½. There was a reduction in the traded volume during the second quarter as a result of the extraordinary dividends paid by Banco Central S.A. The first was in the amount of $3.55, after a new issue of shares in Spain in December 1987-January 1988; and the second was a stock dividend (one new ADR per each 10 of the old one), after the new issue of shares which occurred in Spain during the second quarter.

We must accept that the price at the end of the second quarter was the consequence of these extraordinary dividends. However, we can expect a new, favorable trend if we consider the new stock dividend to be received during the third quarter following the new issue of stocks in Spain, at the rate of one new ADR per each 15 of the old ones.

Investment in Banco Central ADR's at the end of 1987 was undoubtedly a favorable decision, especially in consideration of the post-crash low price of 16½. ☐

ENDESA

Exchange: NYSE; Symbol: ELE

The following evaluation of ENDESA's stock focuses on the period between June 1, 1988 and August 12, 1988. Telefónica, the S&P Electric Power Index, and the S&P 400 Index will be used as gauges to measure ENDESA's progress over that time. (Telefónica was chosen for contrast because it and ENDESA are by far the largest Spanish stock offerings in U.S. market history ($317 million and $172 million respectively.

It must be kept in mind that the nearly three months that have passed since ENDESA was simultaneously listed on the four Spanish stock exchanges and the New York Stock Exchange do not constitute enough time to draw conclusions about the future behavior of this stock.

Even so, it is true to say that the stock has performed well and that the movements in ENDESA's stock price allow us to be optimistic when looking towards the future. This affirmation is based on the following factors:

1. The daily average volume traded on the NYSE over this time has been between 250,000 and 300,000 shares, with over 4 million shares traded on the first day following its listing. On its first day of trading, over 4 million shares of Telefónica also changed hands and average daily volume since then has been approximately 350,000 shares per day. One must keep in mind that Telefónica has been listed on the NYSE since June of 1987, and therefore Telefónica has had a market that has provided its stock with liquidity.
2. During its first sixty days of trading, ENDESA's stock price has risen 6.25%. During the same period, the S&P Electric Power Index has decreased 1.41%, [illegible]

(CONTINUED ON PA

BANCO DE SANTANDER

Exchange: NYSE; Symbol: STD

At the end of the first semester of 1988, the Santander ADR's (American Depositary Receipts, also called American Depositary Shares, ADS's) were quoted at $59.00, $6.25 above the original offering price of $52.75 in July 1987. Their market value has been steadily increasing since January, based on a vibrant Spanish economy and the outstanding performance of the Santander Group, which had net income totalling Ptas. 20,364 million at June 30, 1988, a 35.28% increase over the same period of 1987.

For the period ended June 30, 1988 the Santander ADR's outperformed the Dow Jones Industrial Index by approximately 7.5%; the price of the stock ranged from a minimum of $49.50 on February 18 to a maximum of $64.00 on June 21, which represents a 29.29% increase compared to a 14.55% in the Dow Jones. The average price of the ADR's was $59.00; changes in their market value at the NYSE reflected price variations of the stock at the Madrid Stock Exchange, the dollar/peseta exchange rate, and the increasing confidence of investors in the issue. From January 4 to June 30, 1988 the price of the ADR climbed 14% from $51.75 to $59.00. The highest revaluation—up to a maximum of $64.00—came during the months of May and June, following the outstanding results for the first quarter, a tender offer in Spain to acquire all the shares of the Bank's managed companies, and the announcement of an increase in the par value of the Bank's shares from Ptas .500 to Ptas .750 effective July 1st and free for shareholders. The price of the ADR's at the NYSE eased at the end of June following the begining of a strong revaluation of the U.S. dollar. During 1987 each ADR had a book value of $14.45, earnings of $2.40 and dividends of $[illegible]

(CONTINUED ON PAGE 31)

ON NEW YORK EXCHANGES

TELEFONICA

Exchange: NYSE; Symbol: TEF

Telefónica is listed on all the Spanish stock exchanges, as well as on the London, Paris, Frankfurt, Tokyo, and New York Stock Exchanges.

On April 5, 1988, Telefónica's ADR's began real time quotation in US$ on SEAQ International System at the London Stock Exchange.

During the first half of 1988, Telefónica (NYSE Symbol: TEF) celebrated the first anniversary of being publicly traded on the New York Stock Exchange (June 12, 1987). Since being public in the U.S., the interest of American investors towards Telefónica has increased significantly; the number of shares placed has more than doubled and a large number of analysts follow the company, to mention a few: Solomon Brothers, Nomura Securities, Merrill Lynch, Goldman Sachs, Value Line, etc. . .

The stock is traded on an ADR (American Depositary Receipt) form; one ADR represents three shares of common stock.

From December 30, 1987 to June 30, 1988, the quotation of Telefónica's ADR's has outperformed the NYSE, increasing 14% while the Dow Jones Industrials and Dow Jones Utilities have increased 10.5% and 3.42% respectively. During the same period, Telefónica had a maximum price of $26¼ and a minimum of $22¼ per ADR.

The increase in Telefónica's quotation represents the understanding of U.S. investors of the exploition of the demand for telecommunications services due to the growth in the Spanish economy.

The average daily volume traded on the NYSE from December 30, 1987 to June 30, 1988 has been 737,692 shares, while the average daily volume of Telefónica in all foreign stock exchanges was 1,177,919 shares for the same period. ☐

SPAIN FUND

Exchange: NYSE; Symbol: SNF

Non-diversified closed-end management investment company. Objective: long term capital appreciation through Spanish equities. Can also invest up to 35% in peseta-denominated Spanish Government fixed income securities. Initial public offering of 10 million shares was priced at $12 per share on June 20, 1988, through underwriters led by First Boston Corp. Fund manager is Alliance Capital Management. ☐

THE FIRST IBERIAN FUND INC.

Exchange: ASE; Symbol: IBF

Closed-end equity fund which seeks long-term capital appreciation through equity securities in Spain and Portugal. On April 17, 1988 initial public offering of 6.5 million shares priced at $10 each was done through underwriters led by Prudential-Bache Securities. Fund manager is Sheriancorp Gestion B.V. ☐

BANCO DE SANTANDER

(CONTINUED FROM PAGE 30)

Trading volume has remained low, at an average of 8,414 shares per trading session with a maximum volume of 105,200 shares and a minimum of 100 shares for the period analized. In most sessions, trading volume ranged from 1,000 to 10,000 shares per day. The value of the average daily volume ranged from $144.00 in January to $1,063,050 in May with an average of $489,628.

Overall, the trading of Santander ADR's on the New York Stock Exchange has been characterized by steady price increases and low trading volume in a very conservative atmosphere. ☐

ENDESA

(CONTINUED FROM PAGE 30)

the S&P 400 Industrial Index decreased by 1.98%.

ENDESA's stock price has evolved in a positive way, especially since the announcement of increased earnings for the first half of 1988. During the first six months of 1988, the company has achieved net results of $246,000,000 or $.95 per share (as opposed to $197,000,000 or $.76 per share during the same period of 1987). This means an increase of 25% over the first half of 1987. Fundamentally, these increases reflect reductions in operating costs, most especially in fuel costs.

3. The flow of shares to the American market has been significant. While the initial number of shares issued in the U.S. was 14 million ADR's, the latest information (August 12, 1988) shows that the actual number of ADR's outstanding on the NYSE is 22.9 million, an increase of 63.6%. This increase in the flow of ADR's indicates that there has been a broadening of the market for ENDESA stock, which, in turn, provides the stock with the promise of continued liquidity. On the other hand, this increase in the flow of ADR's moves in the same way as the other big and well positioned Spanish stock offering, which is Telefónica.

In sum, one can see that ENDESA, within the context of domestic and foreign utilities stocks, has remained a mid-term investment with a more than satisfactory dividend yield of 6.04%.

Analysts expect the company's EPS and Dividend Per Share growth rates to be far above U.S. electric utility industry averages. It can be characterized as a "growth" utility. ☐

EMPRESAS

TID: Un solo centro dedicado a las actividades de investigación de Telefónica

ERNESTO RODRIGUEZ ARANGO, Director General de Telefónica Investigación y Desarrollo, nació hace 41 años en Camaguey. Es matemático, licenciado por la Universidad Tecnológica de Michigan (EE.UU.). He desarrollado toda su carrera profesional en AT&T de la que fue Director del Laboratorio de Sistemas del Usuario.

Perfeccionista y con una moderna visión de la gestión tecnológica, este destacado ejecutivo en Bell Laboratories (división de AT&T) es un prestigio especialista en aplicaciones teleinformáticas. ☐

Ernesto Rodriguez Arango es Director General de Telefónica Investigación Desarrollo (TID), filial de Telefónica creada a mediados del pasado año para reunir en un solo centro todas las actividades de investigación de la compañía.

Este Director General proviene del Bell Labs. (de donde han salido el transistor, el láser, el primer satélite de comunicaciones, la célula solar, la radioastronomía, etc. . . .) habiendo trabajado allí durante más de 20 años.

En la actualidad TID tiene más de 140 empleados y entre los planes de futuro figura el contratar investigadores extranjeros de prestigio que dejen aquí lo mejor de su experiencia. Sin duda será la mayor concentración de cerebros del país por centímetro cuadrado.

Y no es para menos, en las instalaciones que se están construyendo en la autopista de Barajas, trabajarán de 600 a 700 superdotados y expertos en sacar partida a las tecnologías de vanguardia.

De momento ya se ha procedido a concentrar a sus actuales activos de materia gris en esta empresa independiente, aunque filial al cien por cien de Telefónica.

En estos momentos la media de edad de la plantilla es de 26 años siendo profesionales de gran preparación y talento aunque tal vez falte experiencia investigadora—que tarda años en cristalizar—y falta, sobre todo, el know-how de las más avanzadas metodologías para el desarrollo rápido y a costes competitivos de nuevos productos de telecomunicaciones.

Todo ello se solucionará con tiempo (1992 es la fecha), con la incorporación de los superfichajes y con el intercambio permanente de técnicos españoles y extranjeros en los escasos centros homólogos en todo el mundo.

En las nuevas instalaciones que se inagurarán en Febrero de 1989, se concentrarán las distintas dependencias y equipo del departamento de investigación y desarrollo de Telefónica, creándose un ambiente propicio para la investigación y se ofrecerá a los investigadores todas las facilidades para desarrollar su trabajo. Como prueba de ello el Director General de TID cuenta con dotar al centro I + D de una magna biblioteca donde se recojan todo tipo de publicaciones técnicas y que además esté conectado con las más importantes bases de datos del mundo con lo que los investigadores tendrían a su alcance toda la información que se refiera a avances tecnológicos.

El TID tiene un presupuesto de 3.000 millones de pesetas que pasará a 5.000 millones en el próximo año. El núcleo de los fondos proviene de Telefónica, recibiéndose fondos también de participación en proyectos como el ESPRIT, RACE, etc. Otra fuente principal de ingresos vendrían a través de proyectos que encarguen otras empresas.

La investigación aplicada también se centrará en optoelectrónica, microelectrónica y algo en materiales ya que el desarrollo de estas tecnologías conducirá al desarrollo de numerosos productos. De interés será también la investigación en materia de inteligencia artificial y en base de datos.

Las instalaciones españolas pueden ser, en breve, de las más sofisticadas del mundo en su género tanto por su infraestuctura como por la cantidad de talentos que se congregarán allí.

Con todo ello, Telefónica dejaría de depender del exterior y entraría a formar parte del reducido **Club** de los que dominarán el mercado de la industria de las telecomunicaciones durante el próximo siglo. ☐

THE ANNUAL MEETING: REPORT OF THE NOMINATING COMMITTEE

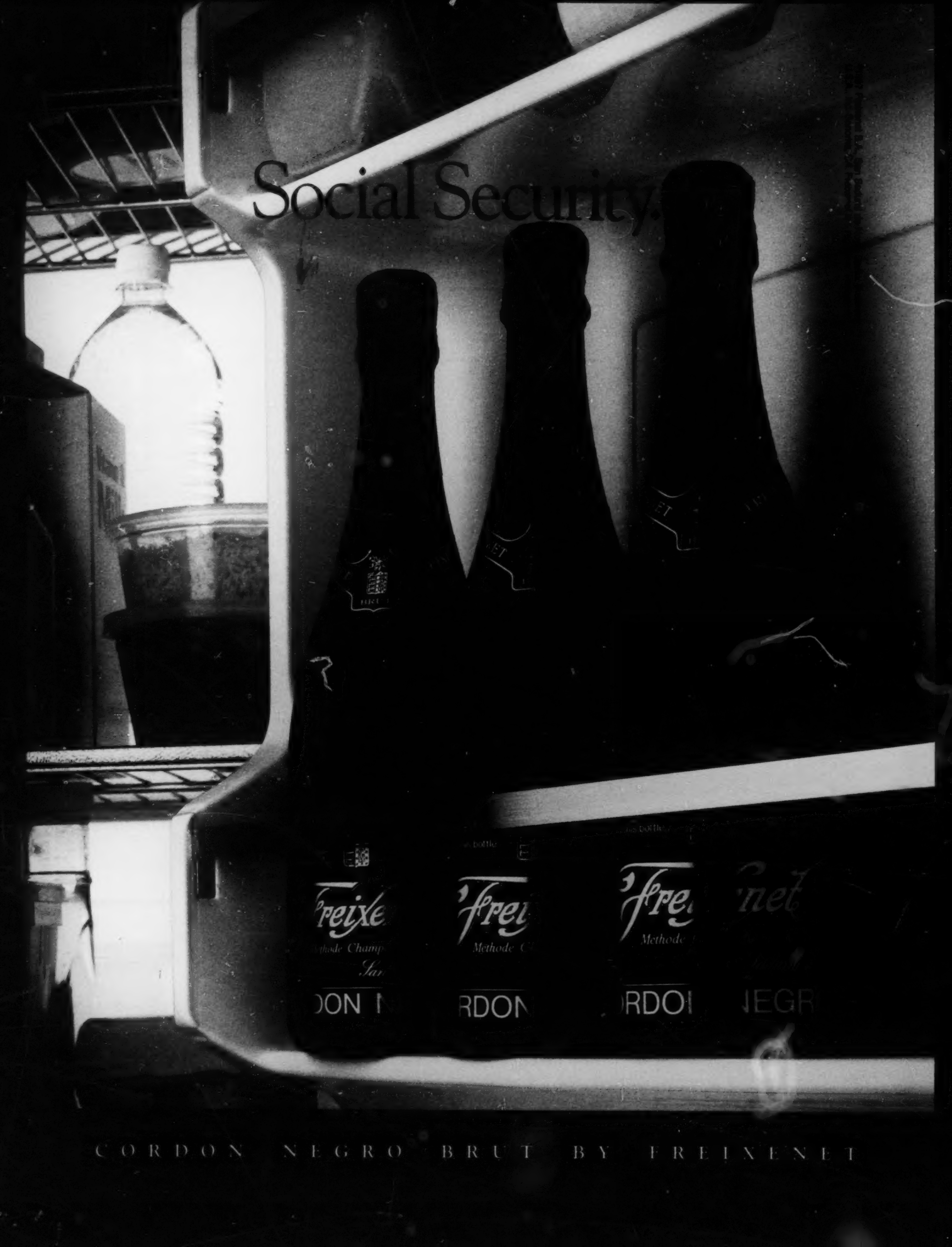
(CONTINUED FROM PAGE 3)

resentatives in the following business fields:

- Ten in import/export
- Eight in banking
- Three in industry
- Three in publishing/marketing
- Three in law
- Two in shipping
- Two in stock brokerage/ investment banking
- One in air transportation
- One in travel
- One in accounting

making a total of 34 Directors in a fairly well balanced and diversified group of 17 American and 17 Spanish business people.

The Committee therefore believes that this new slate of Directors, who, individually, are committed to take a sincere and active interest in the affairs of the Chamber, will bring wide experience and ability to their duties and will serve the Chamber well in the increasingly important role it is meant to pay in the development of bilateral trade and commerce between Spain and the United States, as the European Community moves to dismantle its internal trade barriers in 1992. ☐


Social Security.
Freixenet
Methode Champenoise
CORDON NEGRO
CORDON NEGRO BRUT BY FREIXENET

Institutional Investor Magazine Organizes Financial Executive Roundtable in Madrid

Institutional Investor magazine will organize **The Spanish Financial Executive Roundtable** at the Hotel Castellana Intercontinental in Madrid—November 28-30, 1988. *Institutional Investor* is a leading U.S. financial publication with a circulation of more than 140,000 worldwide.

The special by-invitation-only conference, which will be attended by approximately 100 leading Spanish chief executive officers and financial officers, is hosted by a prestigious group of international financial organizations and service firms in addition to *Institutional Investor*. The sponsors include American Life Insurance Company (ALICO); Arthur Andersen y Cia, SRC; Banco Bilbao-Vizcaya; Barclays Bank S.A.E./Barclays de Zoete Wedd Limited; Dumenil Asset Management Limited; Fabregat y Bermejo; Nomura Securities Co., Ltd.; Prudential-Bache Capital Funding; Renta 4, S.A.; Santander-Warburg/Banco Santander de Negocios, and Uría & Menendez (Legal Counsel).

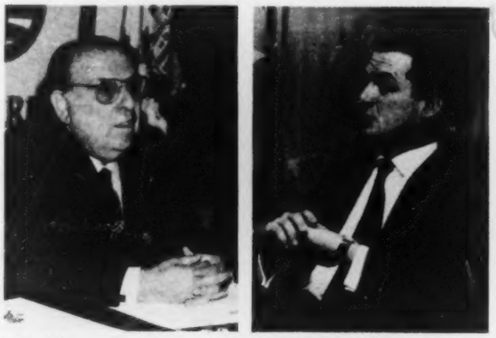
Spain's growing financial sophistication, including a trend toward more mergers and acquisitions, the introduction of pension fund management and the economic changes brought about by the "1992" dismantling of European trade barriers are two major themes of the conference. Special guest speakers addressing these issues will include Helmut Schmidt, Former Chancellor of the Federal Republic of Germany; Raymond Barre, Former Premier of France; John Browne, Member of the British Parliament; Fernando de Asúa, President of IBM, Spain; Manuel Guasch Molina, President of Renault, Spain; Javier de la Rosa, President of Quail España; Narciso Andreu Muste, President of IBERIA; Oscar Fanjul, President of the Instituto Nacional de Hidrocarburos; Jaime Carvajal y Urquijo, President of Iberfomento, and José María Cuevas, President of CEOE. Members of the press who will also take part in the discussions include Edward Schumacher, Former Correspondent of *The New York Times* in Spain; Juan Luis Cebrián, Editor of *El País* and Ramon Pí, Director of *Diario Ya*.

The meeting will open with a cocktail reception at the Castellana Intercontinental on November 28. On November 29, there will be a full day of sessions, a luncheon and a gala cocktail reception and dinner at Palacio del Negralejo. The meeting will conclude after lunch on November 30. Claudio Aranzadi, Minister of Industry and Energy, will close the conference. More speakers from the Spanish government and international business circles will be added to the agenda.

Institutional Investor's team leading this effort in Spain includes Nancy Lange, Director of Project Development; Denise Murrell, Regional Director; Josep Pujol i Ferrusola, Program Director, and Laura Vilá, Audience Manager.

"Spain is one of the most vibrant economies in which we do business today," says Nancy Lange. "Spanish businesses are eager to take advantage of opportunities afforded by a unified market in 1992. This outlook, coupled with the dynamic nature of the Spanish financial scene, provides for most productive discussions between business executives." ☐

Boards Approve Merger of Banco Central and Banesto



Left, Alfonso Escámez, president of Banco Central, and right, Mario Conde, president of Banesto.

The process which began in January with the signing of a merger deal between the Bilbao and Vizcaya Banks has been given fresh impetus by the merger agreement between the Banco Central and Banesto, approved by the respective boards on May 17th.

The new organization, the unification of which will be completed before 1992, will be called the Banco Español Central de Crédito (BECC Holding, S.A.) and it will be the largest in Spain in terms of financial and industrial capacity. In the European ranking, it will become number thirty-one on the list. Its industrial group will rank among the top three in the Common Market.

Prime Minister Felipe González has expressed the view that the merger of Central and Banesto is the most important operation of the century due to the volume of business involved, and that company mergers are a positive development since they strengthen business and financial structures and prepare the country to face the European challenge. ☐

Ford España: No. 1 in Gross Profits

Ford España became the private company in Spain with the highest gross profits in 1987, with almost 42 billion pesetas (about $350 million), 46.6 percent above the previous year's figure.

The automobile manufacturer is the first private firm in Spain to reach this volume of profits. The Ford plant in Almusafes (Valencia) reached almost its maximum annual production capacity in 1987 with 277,000 cars produced, according to Jaime Carvajal, President of Ford España. Ford also increased its market share in Spain, with 16.1 percent of the domestic market.

Ford España will invest a total of 34 billion pesetas (about $300 million) this year in its Almusafes operation in continuation of a previous plan running through 1989 which called for a total outlay of 80 billion pesetas (almost $700 million). ☐

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Date: March 1989

SPAINAMERICA '92 is a 3-day business exchange in Madrid. Up to 100 CEOs will meet face to face to exchange ideas with Spanish CEOs from the same or complimentary business sectors.

Date: June 1989

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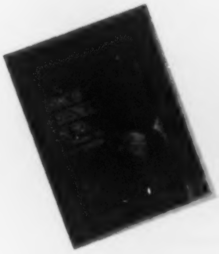

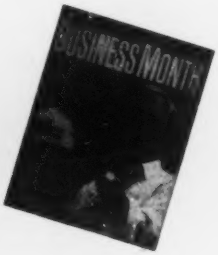

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TOGETHER THEY REACH 80% OF US TOP MANAGEMENT.

Spain's Foreign Trade January-May 1988 vs. January-May 1987

In millions of US Dollars

	EXPORTS			IMPORTS			BALANCE	
	1987	1988	% Change	1987	1988	% Change	1987	1988
France	2,650	3,262	23.1	2,497	3,444	37.9	153	-162
Benelux	391	610	56.2	589	817	38.6	-199	-207
Holland	751	835	56.2	584	725	24.1	167	110
Germany	1,637	2,068	26.3	3,042	4,059	33.4	-1,405	-1,991
Italy	1,101	1,785	62.1	1,693	2,406	42.1	-592	-621
UK	1,271	1,594	25.4	1,330	1,730	30.1	-59	-136
Ireland	58	82	41.3	114	168	47.2	-57	-87
Denmark	90	112	24.1	149	182	22.0	-59	-70
Greece	90	127	41.5	50	62	22.6	40	65
Portugal	583	939	61.1	303	485	60.0	280	454
EEC	8,621	11,413	32.4	10,352	14,078	36.0	-1,731	-2,664
Rest of Europe	960	1,159	20.7	1,484	2,149	44.8	-524	-990
United States	1,032	1,175	13.9	1,568	2,242	43.0	-536	-1,067
Latin America /Canada	658	748	13.6	1,134	1,397	23.2	-476	-650
Rest of World	2,018	2,490	23.4	4,124	4,741	15.0	2,106	-2,251
TOTAL	13,289	16,987	27.8	18,662	24,608	31.9	-5,373	-7,621

Order Simplifies Exchange Control Procedures on Foreign Currency Receipts and Payments

Courtesy of Price Waterhouse

An order (10/5/88) on foreign currency receipts and payments relating to exports is directed towards the acceleration and simplification of the corresponding exchange control procedures. Resolution 10/5/88 of the Foreign Exchange Authorities regulates the foreign currency accounts of residents ("Cuentas en divisas de residentes") established by the order.

The concept of export is extended to include exports made from the Canary Islands, Ceuta, Melilla and Customs Deposits and duty-free warehouses and zones, as well as sales to non-residents of goods which are not physically exported e.g. tourist registered cars, construction contracts and technical assistance to non-residents.

Measures adopted include:

- Easing of the controls on credit granted to export customers.
- Removal of the requirement for prior verification of expenses and costs relating to exports, except for commissions exceeding 10%.
- Freedom from taxation in Spain of the above amounts when paid to entities without a permanent establishment in Spain.

The following groups are authorized to maintain foreign currency accounts of residents:

- Authorization of the opening of foreign accounts to attend local expenses by construction and engineering companies undertaking work outside Spain.
- General authorization for exporting companies to deposit 25% of export collections in foreign currency accounts ("Cuentas en divisas de residentes") in Spain for the purpose of making foreign currency payments.
- Insurance companies and agents operating in Spain.
- Travel agencies.
- Spanish transport agencies and branches of foreign agencies operating in Spain.
- Factoring companies.
- Exporters of goods and services.
- Other authorized residents. ☐

Royal Decree Liberalizes Remittance for Foreign Technology Transfer and Assistance

A Royal Decree (1750/1987) liberalizes remittance for the transfer of technology and the rendering of technical assistance by foreign entities. The most significant measures include:

Liberalizing Measures

- Payments under technical assistance contracts not subject to the Royal Decree (certain agreements not exceeding Ptas. 10 million per year) are liberalized, although they are subject to the control procedures of the Foreign Exchange Authorities.
- Payments in respect of transactions subject to the Royal Decree are liberalized subject to prior verification by the authorities.

Control Measures

- The Register of Contracts for Transfer of Technology will be maintained but for purely statistical purposes.
- The Foreign Exchange Authorities are entitled to check, subsequently to the verification, the reality and veracity of payments in respect of these transactions.

Scope of the Liberalization

- The liberalization extends only to foreign exchange control and does not affect the treatment of the transactions for tax purposes, their legality or the application of foreign investment regulations.
- In our opinion, certain problems encountered in practice remain unresolved, such as mixed contracts which cover concepts of technical assistance and other concepts of invisible imports. Certain of the latter type of transactions may indeed now be less favorably treated than prior to the liberalization. ☐

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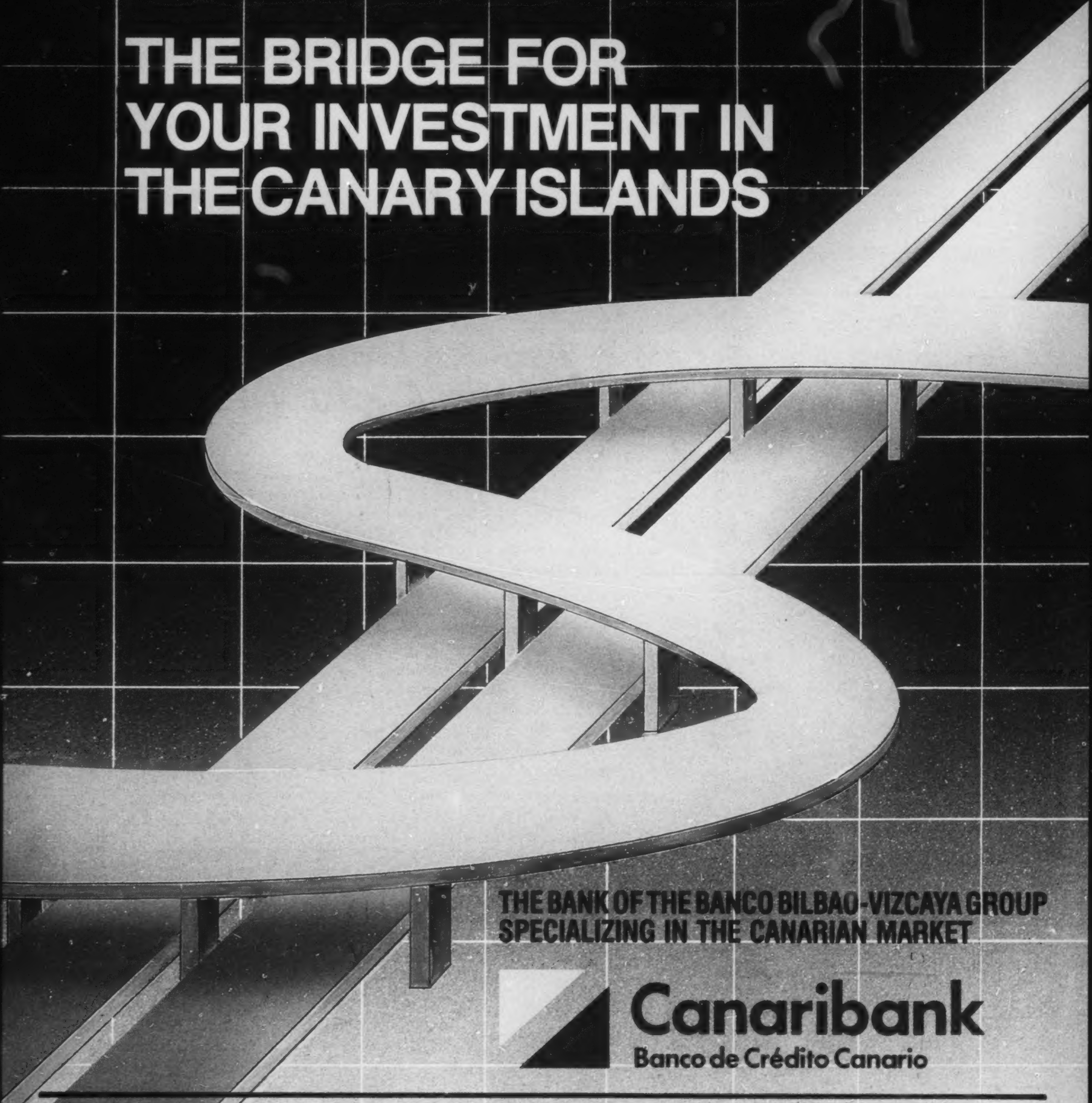
THE BRIDGE FOR YOUR INVESTMENT IN THE CANARY ISLANDS



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Above: Ambassador Jaime de Piniés, Luis Benítez de Lugo, Marqués de la Florida. Below: Mr. and Mrs. Victor Palazzo

Lorenzo Olarte, Vice President of the Autonomous Government of the Canary Islands, at the podium with Bonnie Hoskins, Chairman of the Dinner Dance Committee

Mr. and Mrs. Ricardo Jove

29th Annual Dinner Dance Salutes the Canary Islands

By Bonnie Hoskins

The Chamber's Dinner Dance held on May 6th was the 29th time that its members and friends gathered for an annual celebration. Perhaps the most important function that the Dinner Dance serves is that it provides the opportunity to reaffirm our belief in the organization's mission: the promotion of commercial relations between Spain and the United States, countries whose history, tradition and self interest destine them to be partners. A gala is but a small way to salute such a noble purpose.

The Dinner Dance has become an event steeped in its own traditions. Families and friends attend for a good time. Corporate members invite their good customers in acknowledgment of business done, or treat their employees whose efforts year long are such an important part of their success. New contacts are made, presaging transactions to come. A lucky few leave having won exciting raffle prizes. For all, it is an opportunity to enjoy good food and good company and, at a time when opportunities to dance are scarce, the dinner dance gives toes a chance to tap and feet a chance to boogie.

The tradition of highlighting a region in Spain has always given the

Josep Pujol and Nancy Lange

Ruth Logan, Javier Fabregat and Clarette Crystian

Mrs. José Ignacio Encinas, Vincente Garcia-Delgado and guests.

**Above: A group from the Canary Islands.
Right: The Benitez de Lugo's with the Mayor of San Bartolome de Tirajana and other members of the Castillo family.**

Dinner Dance a special personality. These sponsors, besides helping to defray the cost of the event, find that the Dinner Dance gives them an ideal platform to promote the products and attributes of their region.

This year's sponsor was the Canary Islands, which was represented by a diverse group of public officials and private businessmen headed by the Vice President of the Autonomous Government. In his remarks, Mr. Lorenzo Olarte testified to the practical successes achieved by the group. In addition, when he described his emotions at seeing so many surnames of Canary Island origin among those felled at the Alamo in San Antonio, he gave testimony to the breadth of the history that our two countries share.

So, bring on the 30th Annual Dinner Dance—a new opportunity to celebrate the accomplishments of an organization which will, with our support, remain vigorous and productive. □

More Dinner Dance photos on page 42

Olimpio Fernández, Mr. & Mrs. José Maria Carrascal

Alberto Prieto and guests.

**Right: Manuel Gari,
Mrs. Fernando Bustamente,
José L. Campos,
Mrs. Manuel Gari,
Antonio Campos**

Above: Michael Bennis, Javier Esquivel, José A. Torrellas, Anastasio Travieso; at right. Alfonso Escalera and guests.

CANARIAS. LO ME

Este Verano, venga a conocer lo mejor del Verano. Venga de vacaciones a Canarias. Conozca sus playas mundialmente famosas por su tranquilidad, sol radiante y templadas aguas. Admire el increible contraste de sus paisajes: en Canarias puede encontrar desde un inmenso desierto de dunas, hasta enormes cráteres volcánicos, frondosos bosques, la cumbre más alta de España, profundas simas, bellísimos palmerales, etc. Sienta el calor y generosa amabilidad de sus gentes. Entérese de su extraordinario acervo cultural, histórico y artístico, plasmado en todas sus calles, plazas y monumentos. Apúntese a sus divertidas noches de Verano, en grandes Salas de Fiestas, Discotecas,

CONSEJERIA DE TURISMO Y TRANSPORTES
GOBIERNO DE CANARIAS

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CANARIAS.
LO MEJOR DEL VERANO.

Pubs y Restaurantes donde puede degustar desde el más típico plato regional al más exótico menú oriental. Visite sus grandes Centros Comerciales, sus bazares internacionales y sus «duty free shops», para adquirir cualquier tipo de producto a precios muy interesantes. No se pierda todo esto. Este Verano, venga a Canarias. Lo mejor del Verano.

CONSULTE A SU AGENCIA DE VIAJES

ATLANTIS

Above: Jorge Hidalgo with a guest from the Canary Islands.

Blanca Palau and Marta Masó.

Guests from the Canary Islands.

The Chamber's 29th Annual Dinner Dance Salutes the Canary Islands

(CONTINUED FROM PAGE 39)

Below: Francisco J. Alonso Valerón, Enrique Pérez Montesdeoca, José W. Fernández.

Nancy Forgash, Mr. and Mrs. Jaime Leal.

Below: Natalia Escalada is the happy winner of one of the raffle prizes.

Above, Luis Benítez de Lugo Jr., Fernando del Castillo, and María Miguelez.

Above, Miguel Sebastiá and Bonnie Hoskins

Above, Mr. and Mrs. Jurgen Flick.

Below, the Tuna "The Wandering Minstrels" serenades María Rotondo, Javier Marquez and Conchita Iglesias.

Below, King and Elaine Grant with Hugo Ruiz.

DELEGACION COMERCIAL

Apretada agenda para autoridades y empresarios canarios

La Cámara de Comercio preparó interesantes reuniones con ejecutivos norteamericanos

Con motivo de la Semana de Actividades de la Comunidad Autónoma Canaria en Nueva York, la Cámara de Comercio España-EE.UU., en un esfuerzo para incrementar las relaciones comerciales y turísticas entre Estados Unidos y el archipiélago canario, preparó una apretada agenda de entrevistas y reuniones a las autoridades y empresarios canarios que hasta aquí se deplazaron.

El Vicepresidente del Gobierno Autónomo Canario y máximo representante de la delegación canaria, Lorenzo Olarte, giró visita protocolaria al Cónsul General en funciones, Javier Collar, así como a Francisco Villar, Embajador de España ante las Naciones Unidas. Acompañado por el Consejero de Turismo Blas Rosales, fue recibido por el comisionado de Comercio Internacional de la ciudad de Nueva York, Mike Huertas.

Posteriormente fueron recibidos por el Secretario General de las Naciones Unidas, Javier Pérez de Cuéllar a quien explicaron la realidad socioeconómica del archipiélago e informaron sobre la creación de un centro de documentación y de una Universidad Mundial del Turismo. El Secretario General tuvo conocimiento también de los preparativos para la conferencia internacional sobre medio ambiente y turismo que tendrá lugar en las Islas Canarias próximamente.

Por su parte y entre otras actividades, el Sr. Rosales acompañado por el Director General de Turismo de las Islas Canarias José Antonio Torrellas y por el Secretario General de la Consejería de Turismo, Francisco José Alonso, visitaron al Director de la Oficina de Turismo de España, Aurelio Torrente, quien les informó sobre las peculiares características del turista norteamericano. La reunión mantenida con el director de la Consejería de Desarrollo Económico del Estado de Nueva York, Stanley Newman, fue de gran interés y supuso el inicio de una relación que se verá continuada en el futuro.

Asimismo, mantuvieron también una reunión con el Director General del prestigioso Hotel Waldorf Astoria perteneciente a la cadena de Hoteles Hilton, y con la Srta. Marta Masó y Dan Nadan, Director de Relaciones corporativas del mayor hotel de Nueva York, el Marriot Marquis Hotel. A continuación se reunieron con los señores Guillet y Katz, Presidente y Director respectivamente, del Centro de Turismo y Convenciones de Nueva York, donde fueron informados de los servicios e incentivos que ofrece la ciudad y su posible adaptación de las mismas a Islas Canarias.

Lorenzo Olarte, Vicepresidente del Gobierno Autónomo Canario; Mike Huertas, Consejero de Comercio Internacional de la ciudad de Nueva York; Blas Rosales, Consejero de Turismo de la Comunidad Autónoma Canaria; y Miguel Sebastiá, Director Ejecutivo de la Cámara.

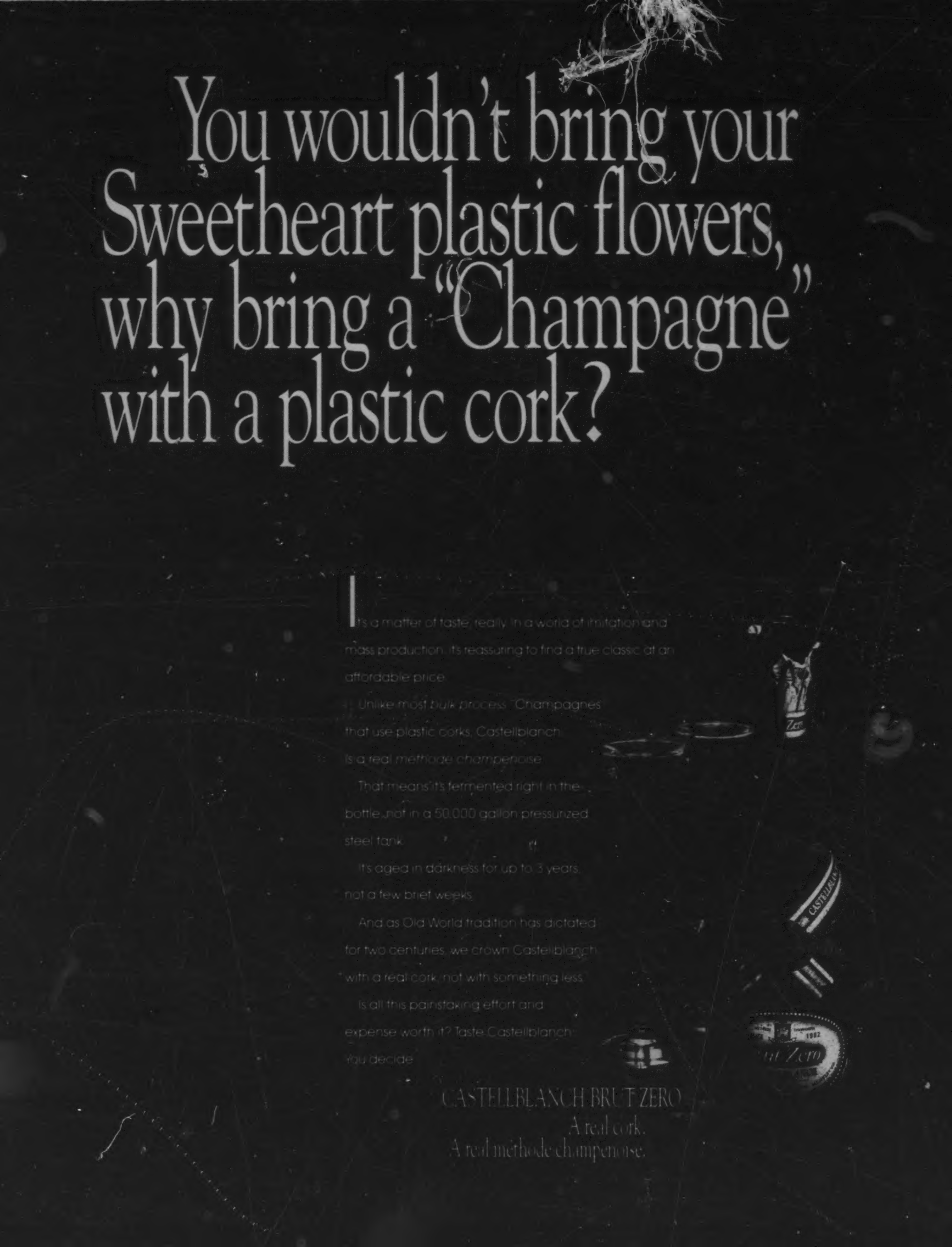
El empresariado canario mantuvo intensas reuniones entre las que cabe destacar la visita del Presidente de la Federación de Empresarios de Hostelería y Turismo, Jose Moriana, a diferentes empresas del sector servicios (lineas aéreas, tour-operadores, inmobiliarias, etc.) así como la reunión mantenida con los responsables de la Universidad de Cornell de enorme prestigio por ser allí donde se preparan y graduan los ejecutivos que posteriormente son captados por las mejores empresas turísticas del mundo.

Por su parte, el Presidente del Puerto de Las Palmas, Sr. Travieso, el de Astilleros Canarios, Sr. Pérez Campos, y el de Odiel Canarias, Sr. Esquivel, mantuvieron reuniones con armadores de buques así como con representantes de compañías marítimas tan importantes como Transatlántica, Sea Land, Italian Line o Botacchi, Inc., etc. que operan desde Nueva York.

Muy fructíferas fueron también las entrevistas del Director del Canaribank, Jorge Fidalgo con el Director de Proyectos del Instituto de Inversiones de Nueva York, Sr. Wachtel; la mantenida con el vicepresidente del banco de inversiones Wertheim Schroder & Co., Felipe Propper de Callejón; la reunión con el Presidente de la inmobiliaria J & W Coastal y la realizada con el presidente de una de las compañías de tour operadores más importantes entre España y los Estados Unidos, Pedro Rodríguez. Otras relevantes reuniones fueron mantenidas con el presidente de la compañía Israel Desalination y con Nate Peck, socio de la prestigiosa firma Peat Marwick.

El jefe del Departamento de Comercio Exterior de la Cámara de Comercio de Las Palmas, Sr. Galván, mantuvo entrevistas con directivos de compañías que exportan al continente Africano entre las que destacan la entrevista con el jefe del Departamento de Exportación para Africa de la naviera American-Europa Shippers y con el Director de Relaciones Internacionales de la empresa de Exportación Manhattan International, a todos ellos les explicó las enormes posibilidades de las Islas Canarias como plataforma de expansión hacia Europa y Africa.

Esta apretada agenda que se prolongó durante casi una semana representa el esfuerzo de todos ellos en el logro de objetivos tendentes a intensificar las relaciones comerciales entre Estados Unidos y el archipiélago canario. ☐



You wouldn't bring your Sweetheart plastic flowers, why bring a "Champagne" with a plastic cork?

It's a matter of taste, really. In a world of imitation and mass production, it's reassuring to find a true classic at an affordable price.

Unlike most *bulk process* "Champagnes" that use plastic corks, Castellblanch is a real *methode champenoise*.

That means it's fermented right in the bottle, not in a 50,000 gallon pressurized steel tank.

It's aged in darkness for up to 3 years, not a few brief weeks.

And as Old World tradition has dictated for two centuries, we crown Castellblanch with a real cork, not with something less.

Is all this painstaking effort and expense worth it? Taste Castellblanch. You decide.

CASTELLBLANCH BRUT ZERO

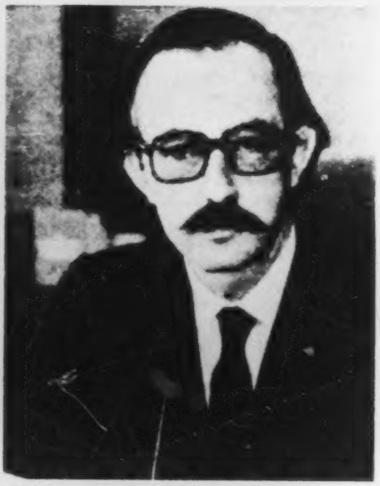
A real cork.

A real methode champenoise.

NAMES IN THE NEWS

HECTOR ARCENO was named General Manager and Head of the International Division of Banco Español de Credito (BANESTO).

APOLONIO RUIZ-LIGERO has been appointed Secretary of State for Commerce, Spain's highest position in trade policy.



FERNANDO GOMEZ-AVILES, former Director of Foreign Trade, has been promoted to General Secretary of Commerce.

FERNANDO ROMERO has been appointed Portfolio Manager of American International Group (AIG) for Spain, Portugal, Italy and Germany.

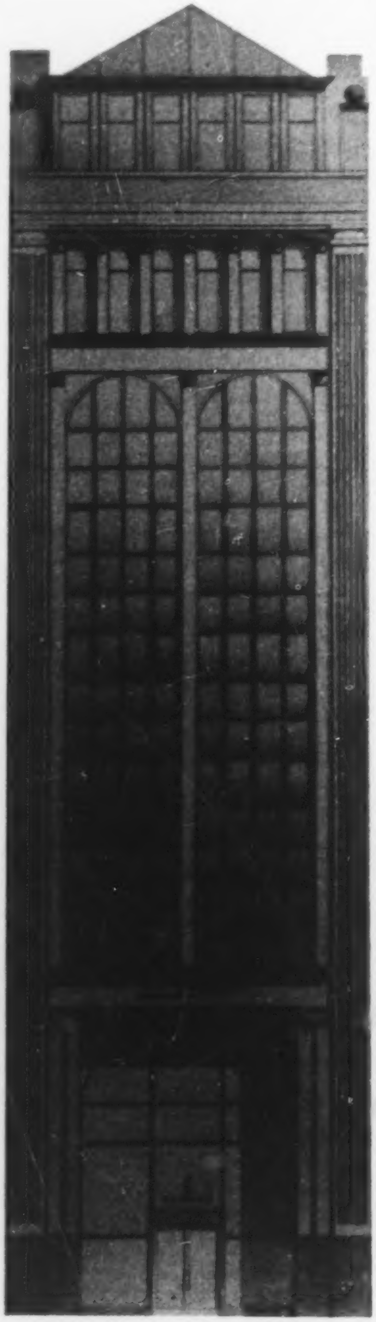
PEDRO GOMEZ-BAEZA, Vice President/Corporate Finance at The First Boston Corporation, which will be the consultants to Banco Central in its merger with BANESTO.

NICOLAS CANTO has recently been appointed Vice President and General Manager of Iberia Airlines of Spain at its U.S. headquarters in Los Angeles

USA NEWS

Lladró Museum and Galleries Open in New York at 43 West 57th Street

Only U.S. art gallery devoted exclusively to contemporary Spanish art will also be largest retail gallery of Lladró products.



The new Lladró Museum and Galleries, the first museum to showcase only Spanish decorative arts and the only art gallery in the U.S. exclusively devoted to contemporary Spanish art, will open in New York on September 18, at 43 West 57th Street. Also housed in the Museum will be the largest retail gallery of Lladró porcelain figurines and leather goods.

The Museum, sponsored by Lladró, the world's leading producer of fine porcelain figurines, will exhibit the world's largest collection of porcelain art including 2,000 rare figurines from a permanent collection of 8,000.

The first exhibit at the Lladró Gallery of Contemporary Spanish art is a collection of specially commissioned paintings interpreting Lladró figurines by 21 Spanish representational artists.

Other major exhibits include, from October 18-November 26, a collection of works by six well-known Spanish artists including Alvaro Delgado, Agustín Redondela, Hipólito Hidalgo de Caviedas, Francisco Lozano, Luis García Ochoa and José Vela Zanetti. In November, the Lladró Gallery will feature its first one-man show of works by Modest Cuixart, the subject of a film starring Anthony Quinn, scheduled to be released when the exhibition opens.

Designed by architect Carlos Brillembourg of New York, named one of the "40 under 40" top architects by *Interiors* Magazine, the museum's interior includes a spacious atrium, a gallery for the sale of porcelain figurines and a theatre featuring films about Spain, porcelain-making and other related subjects. Brillembourg collaborated with representatives from New York's Metropolitan Museum of Art on the design of the museum's exhibit space. Rafael Tamarit of Valencia, Spain, was consulting architect representing Lladró in Spain.

The elegant structure is the former 8-story home of the National Council of Christians and Jews. With its all-glass pediment adding a ninth floor, designed to be illuminated at night, the distinctive museum will be a dramatic presence on 57th Street, the hub of cultural activities in New York City.

In a separate ceremony prior to the announcement, Juan Lladró presented Major Koch with a special porcelain figurine, "A New World," depicting Christopher Columbus' arrival in America. "This gift represents the important social and cultural ties shared between our two nations," Juan Lladró said. "Lladró will strengthen this bond with the opening of our new museum in the cultural capital of the world."

Founded in 1951 in Almacera, Spain, by Juan, José and Vicente Lladró, the Valencia-based company designs slender, graceful porcelain figurines in muted underglazed tones in subjects ranging from flowers and dancers to animals and sports acitivites.

The museum's permanent exhibit will feature Lladró porcelains, including rarely seen, one-of-a-kind early production sculptures such as the Marie Antoinette Sevres-style vase created by Vicente Lladró and painted by his brothers Juan and José. Also displayed in this space will be retired, limited edition designs including "Peace," once presented as a special gift to Vice President George Bush. An unusual collection of other Lladró porcelain art featuring more utilitarian wares will also be displayed in the museum's rotating exhibits.

More than thirty years ago the three Lladró brothers built a kiln on the family patio to produce ceramics decorated with delicate, miniature, sculpted porcelain flowers. Since that time, gifts of Lladró have been received by numerous statesmen, religious leaders and royalty. ☐

One reason France tried to keep Spain out of the Common Market.

France has long set the standard for elegant, stylish wines. Spain, too, offers wines that are equally stylish but more reasonably priced.

Marqués de Riscal, Spain's most prestigious winery, produces world-class red and white wines which are elegant and superbly balanced.

Marqués de Riscal. The toast of the Common Market, and an uncommonly good value.

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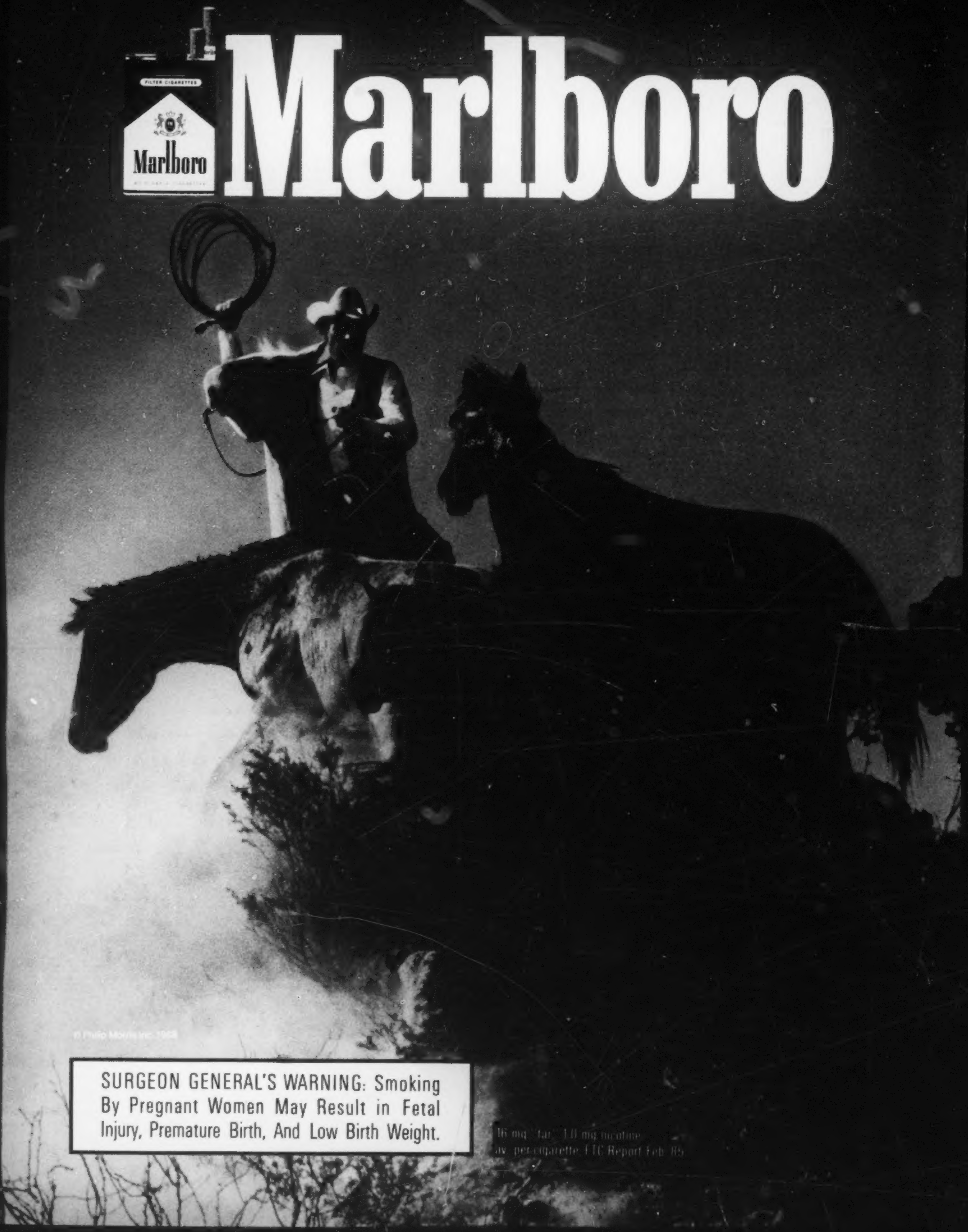
WHITE
RUEDA
WINE
NET CONT. 750 ml
VICTORIA
HEREDEROS DEL
MARQUÉS DE RISCAL
RUEDA
1987


FILTER CIGARETTES
Marlboro

Marlboro

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SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

16 mg "tar," 1.0 mg nicotine
av. per cigarette, FTC Report Feb.'85

The ENDESA headquarters building on Principle de Vergara in Madrid.

ENDESA:

A huge success on the New York Stock Exchange.

"ENDESA is a hit among foreign investors," was *Business Week's* headline. In the United States, instead of the expected 9.6 million ADR's, 14 million were subscribed.

On June 1st, the largest stock exchange transaction ever undertaken by a Spanish company reached a culmination. On that day, the shares of ENDESA (Empresa Nacional de Electricidad, S.A.) were quoted for the first time on the New York Stock Exchange; and on the same day they returned to the Spanish exchanges after having been suspended on May 28th in preparation for the international offering.

In the United States, the ENDESA offering was a huge success. Instead of the 9.6 million ADR's (American Depositary Receipts—an ADR is equivalent to a share) expected to be subscribed, 14 million were awarded. "ENDESA is a hit among foreign investors," *Business Week* headlined its story on the offering.

It was an especially satisfactory day for Spain's Instituto Nacional de Industria (INI), the public holding company which owns ENDESA and was the seller of the shares, as well as for ENDESA itself and INFOLEASING, another INI subsidiary, which had been entrusted with the design of the offering.

ENDESA PRODUCTS AND SERVICES

Coal Mining

ENDESA Group ranks as the top producer of coal in Spain. Its underground mines at Andorra (Teruel) and Peñarroya (Córdoba), and the open pits at Puentes (La Coruña), Andorra (Teruel), Puertollano (Ciudad Real) and Peñarroya (Córdoba), provide Endesa Group with a wide experience in coal mining.

Nowadays, research and drilling of new coal seams are taking place successfully all over the country.

Nuclear Power Stations

The ENDESA Group participates in the Vandellós I and Ascó I Nuclear Stations (Tarragona) now in operation, and in the construction of Vandellós II, Ascó II, and Trillo (Guadalajara).

Alternative Energies

ENHER, GESA (Balearic Is.) and UNELCO (Canary Is.) have developed *solar energy*, installing several types of solar plates and collectors; *wind energy*, through aerogenerators such as those of Alfabia (Mallorca), Candanos (Huesca), Ampurdan (Gerona), and *geothermal energy* in Catalonia.

Experiments are being made to utilize the residual heat from wastewater in power plants as sanitary hot-water, in heating services, fish hatcheries, and greenhouse cultivation.

Conventional Thermal Power Stations

The ENDESA Group has chosen thermal coal energy, which is why it has been unaffected by the oil crisis. It owns thermal stations throughout most of Spain, of which the most remarkable are those of Puentes (La Coruña), 1,400 MW, Ponferrada (León), 1,312 MW, and Andorra (Teruel), 1,050 MW, which are the biggest in the country, all erected during the last decade.

The ENDESA Group has developed its own experience and technology in the erection of Power Plants, as well as in their operation and maintenance.

Hydroelectric Plants

In the utilization of domestic natural resources, the ENDESA Group exploits many hydroelectric plants, particularly in the Ribagorzana, Ebro, Cinca and Sil rivers. At present, the ENDESA Group is working on miniplant projects and has constructed the Moralets Plant, the most important of the pumped storage hydroplants in Spain.

Other Areas of Energy Research

- Environmental conservation and air pollution control by experimenting with cleaning of lignites, electrostatic filters, pressure fluidized bed combustion, automatic pollutants control systems, strip-mined land reclamation, etc.
- Computer-aided system of electric power management and control.
- Underground lignite gasification.
- Underground laying of high-voltage lines.

Worldwide, 53 million shares were offered, and with a generous overdemand INI was able to obtain 74.2 billion pesetas, according to then INI Chairman Claudio Aranzadi, now Spain's Minister of Industry. "Both main goals aimed at in designing the transaction—to obtain financial resources and to enlarge the shareholder base—have been fulfilled," says Mr. Aranzadi. "Moreover, the transaction has been useful for achieving a third goal: opening a company such as ENDESA, the first electric utility in Spain, to the international market, a goal which has been more than fulfilled, given the interest this company has aroused among international investors."

Feliciano Fuster, Chairman of ENDESA and one of the persons most responsible for the success of the transaction, also considers the result absolutely positive. "The volume of share requests was much higher than the quantity offered," he says. "Foreign investors in particular have singled out ENDESA as a great investment opportunity, since our shares combine safety and the potential for increase in value."

This success was the result of hard team work beginning in November 1987, when Mr. Aranzadi entrusted INI's Corporate Finance Executive Vice President, Javier Salas, and Pedro Sagüés, Chairman of INFOLEASING, with the organization of the project, which involved some special problems in the New York market because of stricter regulations and higher information requirements than is usual on Spanish markets, according to Alfredo Llorente, Financial Managing Director of ENDESA.

In order to solve the specific difficulties which could emerge on the international market, the American investment bank Goldman, Sachs and Co. was appointed as a lead manager, which, along with Morgan Stanley and Warburg, would be responsible for the satisfactory development of the transaction. The law firms of Davis Polk in the United States and Melchor de las Heras in Spain were also used, and they had to study carefully the records of ENDESA's board of directors meetings for the past five years.

Left to right: Angel Garcia Altozano, Director General, INI; José Manuel Garcia, Vice President, INI; Claudio Aranzadi, former Chairman of INI (now Minister of Industry and Energy); and Feliciano Fuster, President, ENDESA.

First of All: Flexibility

Finally, a transaction in three sections (two domestic, for institutional investors and for employees, and one international) was designed by INI and INFOLEASING. It stressed, according to Mr. Aranzadi, a flexibilization mechanism for adapting the structure of the offer by adjusting it to demand, as well as a interconnection of the offer on domestic and international markets. "The transaction was planned," says Mr. Sagüés, in such a flexible way as to be fixed both in price and portions on the last day in which quotation was suspended in Spain (May 28) and on the eve of the day in which quotation was to begin in New York (May 31).

It was thanks to this design that it was possible to enlarge the offer on the international portion by 40% over the amount previously foreseen. This was also done on the domestic portions for institutional investors and for employees, since the demand in all categories was higher than expected.

In the United States, where an initial offer of 9.6 million ADR's was foreseen, 14 million were awarded after enlarging the portion for international investors. This produced an important volume of unsatisfied demand, which would favor a "sufficiently active" secondary market in the first pricing days. The same happened in the part of the international portion allotted to Europe and Japan, where the initial offer was 4.4 million shares and 6 million were finally awarded.

A Growing Company

The strategy followed in the transaction is the key to the confidence of international investors in shares of the previously little-known ENDESA. The key to the strategy, according to Mr. Sagüés, is "knowing how to stress the company's positive aspects and how to select the investors who really value ENDESA's shares."

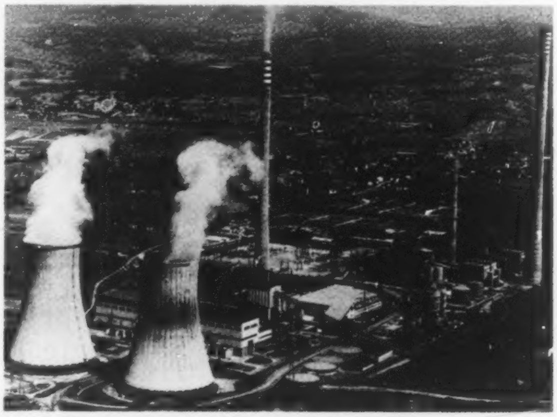
According to ENDESA Chairman Fuster, "the good prospects for ENDESA, and particularly its growth potential, have been a determining factor in the good placement of shares, and every piece of information confirming those forecasts must have positive effects on their price quotation."

International investors showed their confidence in ENDESA when on June 1st, the first day of trading on foreign markets for these new securities (identified on the New York Stock Exchange by the symbol ELE), almost 4.3 million ADR's were traded. On a world level, ENDESA's shares were second highest in transaction volume for the day. More than a third of the securities sold to American investors changed hands, so that the initial purchasers were provided with generous value increases within a few hours. In the London market for foreign securities, transactions amounted to almost a half million.

On the day of its first appearance on the New York market, the price of ENDESA shares rose from the issue price of 175 to 194, and its further evolution has also been positive, fluctuating between 185 and 200, with average transactions of 295,000 shares daily. During the presentation of the results of the final ENDESA share award, INI Chairman Aranzadi said that the interest shown on international markets indicated a "merry secondary market," and his forecast is being fulfilled.

INFOLEASING Chairman Sagüés emphasizes the importance of transaction volume, which shows investor interest, while the price reflects market stability. According to Mr. Fuster, the forecast for this year is an increase in after-tax results of between 15 and 20 percent. As for dividend policy, the long-term goal is that dividends should increase at the same pace as results—i.e. that the pay-out should be maintained.

Independently of the acceptance ENDESA shares have found among international investors and of the good functioning of the transaction on those markets, ENDESA's presence on the New York Stock Exchange demonstrates several advantages according to Mr. Aranzadi: Apart from giving the equity a higher liquidity and presence in a sophisticated market which guarantees stability for the future, it improves ENDESA's possibilities when resorting to financial markets other than the share market. ENDESA's ability to obtain financial resources, both of capital and debt, faces a practically unlimited market. At the same time, the fact that all the formalities required by the Securities and Exchange Commission have been complied with will affect the perception of risk by financial organizations positively, which in turn means that foreign currency financing costs can be reduced.



ENDESA's generating plant at Compostilla, in León.

ENDESA, One of the Most Profitable Spanish Companies

The public offer of sale of ENDESA shares, which entered a new era on June 1 as 53 million securities began pricing, stands within the framework of a "*shareholder base enlargement policy*" which INI started in 1986 by selling 4.3 million shares of GESA, went on with in the early 1988 by selling 3.6 million shares of ENCE, and that the state-owned holding company will continue with high-profitability companies such as IBERIA, the Spanish flag airline.

This policy, which is broader than mere "privatization", is intended to achieve a basic financial goal, while trying to diversify the company's shareholder base. The management will, however, remain in the hands of INI, which, in the case of ENDESA, still keeps 75 per cent of shares.

This transaction has involved a great effort for INI, as ENDESA, in spite of being one of the most profitable companies within the publicly-owned holding and a leader in the Spanish electric power sector, had the drawback that it is not too familiar to the public. This ignorance was mainly due to the fact that ENDESA is a company operating on the market as a wholesaler, so that its production is totally purchased by big distribution companies, without ENDESA having a direct relation to customers. Such a basic feature of ENDESA compelled the INI to carry out an intense communications campaign with strong showing in audiovisual media in order to present the company to the general public and to place it in the securities market.

> *"ENDESA...is one of the large companies most capable of making profts among those listed on the Stock Exchange."*

ENDESA, Spain's first electricity generating utility, is the parent company of an important electric power group made up of ENDESA itself (Empresa Nacional de Electricidad, S.A.), ENHER (Empresa Nacional Hidroeléctrica del Ribagorzana, S.A.), ERZ (Eléctricas Reunidas de Zaragoza, S.A.), GESA (Gas y Electricidad, S.A.), UNELCO (Unión Eléctrica de Canarias, S.A.) and ENCASUR (Empresa Nacional Carbonífera del Sur, S.A.).

In 1987 the ENDESA Group made a gross profit of Pta. 63.8 billion, an amount to which ENDESA itself contributed Pta. 49.3 billion, a 37 per cent increase over the previous year. It is, therefore, one of the large companies most capable of making profits among all those listed on the Stock Exchange.

ENDESA is, moreover, a financially very balanced company in which the ratio of owner's equity to borrowed capital is 35% to 70% which allows it to guarantee a high solidity and stability to future shareholders, who can, therefore, expect a high dividend remuneration. Last year ENDESA distributed a gross dividend of 11.25 percent and a net dividend of 9 per cent, i.e., Pta. 63 per share, among its shareholders. In addition, these securities have shown a profitability of more than 90 per cent from the beginning of the year up to the transaction's start, thanks to their revaluation and to the increase of the nominal share value from Pta. 700 to Pta. 800.

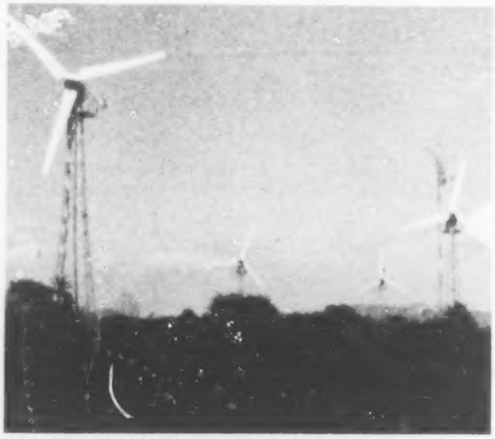
A Leader's Strength

ENDESA has 28 thermal and 22 hydraulic groups, and participates in three nuclear power plants. That means it has an overall installed capacity of 6,547 MW, i.e., slightly more than 15 per cent of the country's total installed capacity.

In 1987 ENDESA's electricity generation amounted to 33,517 Gwh, which accounts for over 25 per cent of Spain's electricity production.

Of this output, more than 80 per cent came from ENDESA's seven conventional thermal power stations in As Pontes (Coruña), Cubillos del Sil (León), Anllares (León), Andorra (Teruel), Carboneras (Almería), Ceuta and Melilla. These power stations are strategically situated in areas in which coal supply is easily accesible; the As Pontes station, for example, is situated close to a brown coal open pit which belongs to ENDESA; the Andorra station is in the Teruel coalfield, Spain's most powerful coal reserve with the longest operational lifetime, in which ENDESA has several deep and open pits; the Cubillos del Sil station is in the El Bierzo mining area, and the Litoral station is in Carboneras in Almería where a harbor for importing coal has been built.

ENDESA also has a 50 per cent stake in the thermal power stations in Escatrón (Zaragoza) and Puente Nuevo (Córdoba). This thermal power station group brings ENDESA to 21.5 per cent of Spain's overall installed capacity. Last year total electricity generation in electric power stations totally or partially controlled by ENDESA reached 27,102 Gwh, accounting for almost 43 per cent of Spain's total electricity output from conventional thermal origin.



Wind Power Plant at El Ampurdan in Gerona.

ENDESA's As Pontes open coal pit in La Coruña.

Since 1986 ENDESA also has a 40 percent stake in the nuclear power plants of Ascó I and Ascó II in the Tarragona province, as well as a 72 percent stake in the nuclear power plant of Vandellós II, also in Tarragona, which is still on trial. ENDESA's participation in the electricity generation from nuclear origin amounted in 1987 to 5,188 Gwh, nearly 16 per cent of the company's overall production and 12.58 per cent of Spain's total nuclear output.

In the same way, ENDESA participates in Spain's hydraulic activity by operating twelve electric power stations situated on the Sil, Eume and Bibey-Jares rivers, in the country's northwest region. The installed capacity of these electric power stations represents 3.8 percent of Spain's total hydraulic capacity. On its side, the electricity production from hydraulic origin amounted in 1987 to 1,227 Gwh, 3.6 percent of ENDESA's total output.

ENDESA Produces One Third of Spain's Coal Output

Slightly more than one third of Spain's coal output comes from ENDESA's pits. In 1987 ENDESA's mining activity, both at the As Pontes deposits in Coruña, in Northwest Spain, and at Andorra, in Teruel, reached a total coal production of over 13 million tons, accounting for 37.33 per cent of total Spanish output.

The As Pontes deposit is a brown coal open pit which is mined by means of seven large shovel-wheel excavators, the coal being carried away through a conveyor belt system to ENDESA's thermal power stations nearby.

At Andorra, deposit mining consists of four subbituminous hard coal pits, of which two, Innominada and La Oportuna, are deep pits, and two, Alloza and Barrabasa, are open pits.

ENDESA is also the country's major steam coal consumer, as it uses more than 60 per cent of Spain's production, so that it is compelled to round off its own output through purchases on the domestic and foreign markets in order to supply its thermal power stations, which in 1987 burned 21.05 million tons. □

NOTICIAS DE LA OFICINA COMERCIAL DE ESPAÑA

La Oficina Comercial intensifica los esfuerzos promocionales

Es necesario ". . . como consecuencia, entre otros factores, de la debil situación del dolar en relación con la peseta."

El balance final de las cifras de exportación español al mercado U.S.A. en 1987 refleja las dificultades por las que atraviesan sectores tradicionales de esta exportación como consecuencia, entre otros factores, de la débil situación del dólar en relación con la peseta, lo que ha constituido una característica básica del acontecer comercial durante el pasado año.

Consciente de la necesidad de intensificar los esfuerzos promocionales para contribuir de algún modo a superar estas dificultades, la labor de la Oficina Comercial de España en Nueva York durante la primera mitad del año ha continuado centrada en los programas en curso de los que ya se informó en el último número de la revista "Business Link", iniciándose algunas acciones nuevas y profundizando el estudio de sectores con el objetivo de preparar el lanzamiento de nuevos programas adaptados a sus necesidades.

Departamento de Alimentacion

Analizando el trabajo realizado por cada uno de los Departamentos, destacamos en el de **Alimentacion**, la labor de preparación y gestión del Pabellón Nacional de España en la Feria "Fancy Food" de Chicago, celebrada del 10 al 13 de Julio, a la que asistieron 31 firmas españolas. Estaban representados los sectores más relevantes de la exportación alimentaria española: aceite de oliva, aceitunas, conservas vegetales y de pescado, quesos, confitería, frutos secos, especias, bebidas refrescantes, etc.

Los resultados pueden calificarse de positivos, especialmente para aquellas firmas que han hecho un esfuerzo en la presentación de nuevos productos o nuevos envases.

El Departamento de Alimentación informa de sus actividades y de novedades referentes a la exportación alimentaria española a través de su boletín informativo de aparición periódica y que se remite a 5.500 interesados.

Vinos de España

En lo que se refiere a **Vinos de España** destacamos la organización de un viaje de importadores y compradores a la Feria Alimentaria de Barcelona en marzo y un viaje de periodistas a Rioja, Penedés y Navarra en junio. Dentro de las actividades de información y difusión han aparecido en el primer semestre dos ediciones de "Wines of Spain News" con una tirada de 17,000 ejemplares. Se ha realizado además un apretado programa de degustaciones entre las que cabe hacer especial mención de una ronda de vinos blancos de Rioja que se llevó a cabo en junio en Boston, Nueva York y Miami.

Sin embargo, el principal acontecimiento ha sido la participación y degustación de vinos españoles en la W.S.W.A. ("Wine and Spirits Wholesalers of America") celebrada en Boston del 24 al 27 de abril. Esta Feria que anualmente reúne a toda la industria y comercio vinícolas del país, ha contado con la presencia de 19 firmas españolas dentro del Pabellón Nacional organizado por Vinos de España. Además, y durante la Feria, Vinos de España organizó una degustación nacional de España, denominada "World Class Special" a la que asistieron 1,600 importadores y distribuidores, y en la que estuvieron representadas 55 empresas, cubriendo practicamente toda la actividad exportadora de España en este sector.

Departamento de Moda

El Departamento de **Moda** ha continuado la coordinación del plan de promoción del calzado en U.S.A., en cuyo marco el pasado 7 de abril se celebró en la Oficina Comercial una presentación de las novedades del calzado español para la temporada Otoño-Invierno 1988 a 30 editores de revistas profesionales.

En apoyo del sector de confección masculina se han realizado cuatro actividades importantes:

- Preparación y coordinación del Pabellón Nacional de España en la Feria N.A.M.S.B. ("National Association of Men's Sportswear Buyers") celebrada en Nueva York del 20 al 23 de marzo, en el que participaron 13 firmas españolas.
- Organización de una visita de compradores americanos al Salón Gaudí de Barcelona del 14 al 16 de julio.
- Coordinación del rodaje en España de un especial dedicado a la Moda masculina en España por la periodista Clara Hancox para su exhibición en seminarios para profesionales a organizar en cinco ciudades de Estados Unidos.
- Organización de un desfile el 10 de junio en Rye Brook ante 150 periodistas, y en el que participaron 12 fabricantes españoles.

Dentro del sector de moda infantil se organizó el Pabellón Nacional de España en la Feria "International Kids Fashion Show" celebrada en Nueva York del 27 al 30 de marzo, en el que participaron 15 firmas españolas.

Por último, y en lo que se refiere a la Joyería, se ha puesto en marcha un plan de promoción consistente en un programa de publicidad genérico-marquista en el que participan 7 empresas españolas, y una serie de acciones complementarias dirigidas a importadores y prensa especializada.

Productos de Consumo

El Departamento de **Productos de Consumo** trabajó en la finalización de la campaña de cigarros puros de Canarias así como en la preparación de la que se va a realizar en el segundo semestre. Para esta fecha está igualmente previsto el comienzo de la campaña de publicidad de los caballos de pura raza española.

Este con los demás departamentos afectados atendió a las Misiones de la Cámaras de Comercio de Barcelona y Sabadell que visitaron Nueva York los días 25 a 29 de abril y 16 a 18 de mayo, respectivamente, facilitando a las empresas componentes los contactos oportunos para promover sus ventas en este mercado.

(CONTINUA EN LA PAGINA 56)

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EEC NEWS

EC Countries Required to Remove Remaining Restrictions on Capital Movements

The European Community this month published a directive requiring EC countries to remove all remaining restrictions on capital movements across their borders.

The agreement to liberalize all capital movements, reached June 24 by E.C. Economic and Finance Ministers, is a vital step in the Community's efforts to create a unified internal market by 1992. It is also a significant opening toward a European economic and monetary union.

The directive's most significant impact will be on short-term transactions, such as foreign bank accounts or cross-border loans. Other barriers to capital movements were removed by EC directives in 1960, 1962 and 1986. With capital movements fully liberalized, a resident of one member state will have access to the financial systems—banks, stock exchanges, real estate and money markets—of all other EC countries. Currency and capital will be able to circulate freely throughout the Community, seeking the most favorable investment terms.

The new directive requires the member states to endeavor to attain the same degree of liberalization of capital movements with third countries as that achieved within the Community.

More Information. The capital movements directive and the regulation creating the medium-term loan facility have been published in the EC's Official Journal (No. L/178; July 8, 1988). The May 1988 issue of *European Economy* is on "Creation of a European Financial Area: Liberalization of capital movements and financial integration in the Community" (212 pages); it is available for $19.50. Contact the European Community Information Service, 2100 M Street N.W., Seventh Floor, Washington, D.C. 20037; (202) 862-9500.

movement of capital between the twelve members should be removed by 1992. A common tax system, similar to that of the United Kingdom, and a monetary union with one currency, are likely to be established in the EC before the end of the century. ☐

Freight Rates Cut on Wines From Europe

Freight rates for wines from Europe to the U.S. East Coast will be cut significantly by the Shipping Conference for North Europe, it was reported recently. The new rates will be $130 per ton on wine and spirits, down from $144, effective from July 15, 1988 to January 31, 1989. The 3.5% freight forwarder compensation is maintained, whereas the payment of brokerage fees will be discontinued in August.

Felipe González Calls for United Europe

Prime Minister Felipe González said that the process of creating a united Europe is "the only way possible for Europeans" as opposed to the scepticism and pessimism "which are sometimes rife", in a statement made public on May 9th on the occasion of the celebration of "Europe Day".

Felipe González asserted that there was no question of "building up a Europe at any price". The idea was to "unite the Europeans so that their level of wealth and well-being may rise, and so that each one may feel a sense of solidarity with the other citizens". In his statement, the head of the Spanish Executive defended the need to "strengthen economic and social cohesion within the Community" and to promote decisions "envisaging the lessening of the imbalances which still exist in the development of some regions."

U.S. Firms Should Invest in Europe Now, says Economist

The Chief Economist of Deutsche Bank was recently quoted as saying that U.S. firms should seriously consider investing in the European Community before the planned full integration of its 12 member states in 1992. Although a protectionist EC-trade bloc is not anticipated, it might be much harder for U.S. companies to enter the European market after that date, the Deutsche Bank official said. Most of the barriers on the movement of goods and services, and all on the

U.S.A. NEWS

BRA, Spanish Stainless Steel Products Maker, Opens U.S. Office

Bra USA Inc., with main offices in Little Ferry, New Jersey, has been formed to serve as the exclusive distributor for the upscale "BRA" stainless steel kitchenware, aiming for a stronger presence in the U.S. and Canadian markets. Patricio Barriga, formerly of Barcelona, heads the United States operation as Vice President.

Made of 18/10 pure stainless steel the BRA utensils feature unique diffuser bottoms of aluminum plates which are totally sealed with a stainless steel coating, making them especially resistant to friction and wear and facilitating heat distribution for cooking ease. BRA also offers specialized merchandise in stainless steel for restaurants and hotels.

The BRA S.A. group, based in Barcelona, is a leading European specialist in the treatment of stainless steel. ☐

OFICINA COMERCIAL DE ESPAÑA EN NUEVA YORK

(SIGUE DE LA PAGINA 56)

Productos Industriales e Inversiones

Destacamos por su novedad entre las actividades del Departamento de **Productos Industriales e Inversiones** el proceso de selección de agencia llevado a cabo para la realización de un estudio de marketing en U.S.A. de la maquinaria de caucho y plástico españolas a desarrollar durante el segundo semestre.

Se han iniciado además los trabajos de preparación de la participación española con Pabellón Nacional en la Feria A.T.M. ("American Textile Machinery") a celebrar en Greenville (Carolina del Sur) del 17 at 21 de octubre y en el que participarán 16 empresas españolas. ☐

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EL MERCADO NORTEAMERICANO

Entrar en el mercado de Estados Unidos: I. La preparación de la entrada al nuevo mercado

por Paul Maubert

Esta es la primera de las dos partes de que constará éste artículo. La primera se refiere a aspectos teóricos en la preparación de la entrada al nuevo mercado y la segunda una guía más práctica de cómo elegir las compañías de consultoría, abogados y otros servicios así como búsqueda de distribuidores y contratación de personal.

ANUNCIO

Despues de dos años de esfuerzos para introducirse en el mercado norteamericano BIG ENTERPRISES, fabricante europeo de productos de consumo anuncio ayer el cierre de su filial de Estados Unidos BIG ENTER U.S.A. y concentrarse en el mercado nacional. "Francamente, esto nos dilusionó en sobremanera", dijo el Sr. Delaporte, Director General de la compañía, durante la conversación telefónica con esta revista, "A pesar de nuestros esfuerzos las ventas no iban bien y la compañía no progresaba como estaba previsto".

Esta noticia ficticia es, desafortunadamente, típica entre los artículos que aparecen con frecuencia en revistas comerciales de Estados Unidos. Los 230 millones de consumidores y el potencial de consumo que supone su alta renta per cápita, hacen que el mercado norteamericano sea de enorme atractivo para compañías de todo el mundo que ven aquí la posibilidad de grandes logros en ventas y beneficios. Visto de una forma simplista, ello es fantástico y muchas compañías que lo ven sencillo se pueden ver tentadas a venir sin más. Intentar esta aventura sin la preparación adecuada y sin un importante trabajo de investigación puede conducir, más facilmente, a un gran desastre. En este artículo me referiré a algunos de los principios y técnicas generales que, de aplicarse adecuadamente, maximizarán la probabilidad de éxito, limitarán los riesgos aún nivel aceptable y nos prevendrán de errores comunes y de los desagradables incidentes que estos acarrean.

Es muy importante diferenciar entre principio y técnica. Defino principio como aquellas reglas generales que un prudente y razonable hombre de negocios debe aplicar en la mayoría de las situaciones. Ello supone que los principios deben contemplarse en el contexto de cada situación y deben adaptarse cuando las circunstancias lo requieran. Las técnicas son prácticas concretas que se refieren a situaciones definidas. La intención de este artículo es concentrarse en los principios y dar algunas técnicas generales evitando discusiones sobre técnicas concretas que sean aplicables sólo a unos pocos mercados. A pesar de que este artículo está pensado para las compañías españolas de tamaño medio que estén considerando la introdución de sus productos en el mercado norteamericano, verán que es básicamente aplicable a todo tipo de compañías que quieran penetrar un mercado extranjero.

Las razones por las que compañías de todo el mundo se sienten atraídas por el mercado norteamericano parecen obvias pero nosotros analizaremos también algunos de los factores no tan "obvios" y que pueden crear grandes problemas e incluso desastres. Plantearemos la entrada en el mercado norteamericano desde una óptica de fabricante español e, inicialmente, a nivel teórico para pasar luego a aspectos más prácticos. Daremos consejos sobre como elegir empresas de consultoría, publicidad, abogados y otros servicios. Repasaremos también algunos de los errores en los que se incurren comúnmente y lo ilustraremos con ejemplos prácticos.

PAUL MAUBERT is currently the General Manager of Vinas & Vinos U.S.A., Inc. Prior to that he was a management consultant specializing in new ventures and new markets. He is a graduate of the MBA program of INSEAD.

A two part article dealing with the theoretical and practical aspects of establishing a commercial presence in the U.S.

Aunque algunas de las compañías europeas y españolas en particular tengan tras de sí una larga existencia e incluso generaciones de dedicación al negocio, el planteamiento para entrar en este mercado debe hacerse como si fuera una nueva compañía que va a iniciar sus operaciones eso sí, con una gran experiencia en el producto y su fabricación. De hecho, éste será el tema central del artículo: cada nuevo mercado es distinto y tiene sus propias peculiaridades; el mercado norteamericano, si cabe en mayor medida, exige el conocimiento de la "cultura empresarial" en la que se mueve y de la metodología con que se opera. Este estilo empresarial libre de erróneas presunciones y altamente adaptable es, a menudo, difícil de asimilar para empresas con larga tradición en sus países de origen.

El Dr. James Malloy del departamento de Empresariales de la Northeastern University y especialista en la iniciación de nuevos negocios con caracter internacional hace el siguiente análisis: "El punto clave para una compañía extranjera que quiera establecer operaciones comerciales en Estados Unidos, es entender que debe adaptarse a un contexto de negocios totalmente distinto al que están acostumbrados en su país de procedencia. Particularmente, es más exigente en la sofisticación de los instrumentos de marketing y mucho más costosa en su implementación. Es sorprendente ver como compañías extranjeras, una tras otra, menosvaloran el esfuerzo necesario para desarrollar una demanda de un nuevo producto en este país; las dos causas mas comunes de fracaso en la introdución de nuevos productos extranjeros estan ligados al punto anterior. La primera es el fracaso en asignar a marketing los medios y recursos humanos adecuados. La segunda es el fracaso en establecer los controles financieros que permitan identificar las áreas problematicas. La posible causa común de estos errores en las distintas compañías puede ser su origen técnico con una mentalidad más orientada hacia la producción y que, dada su tradición y conocimiento del mercado nacional, no han tenido necesidad de desarrollar a fondo sus departamentos de marketing."

ESTUDIO DEL MERCADO

Asumiendo que una empresa ha hecho un poco de análisis de oportunidades comerciales y piensa que le gustaría hacer su debut en el mercado americano. ¿Cual sería el primer paso a seguir? Ciertamene no olvidar el proceder con cautela y de una forma tan estudiada como la amplitud de la oportunidad permita. De hecho ésta es la primera regla: **Proceder cuidadosamente.** Segunda regla: **Proceder paso por paso.** Estas dos reglas reducirán sustancialmente el riesgo en el proyecto si son aplicadas debidamente. Incluso en un mercado tan evolutivo como el de alta tecnología, debe tomarse cierto tiempo para asegurarse de que realmente existe la oportunidad de mercado. Debe hacerse un análisis frío y racional que evite la tentación de un planteamiento superficial. La mejor opción posible es contratar una compañía de consultoría con prestigio que, de forma objetiva, nos diga si realmente existe una oportunidad para nuestro producto.

El estudio debería examinar aspectos del marketing mix; un error frecuente es concentrarse, en forma casi exclusiva, en el producto y el precio olvidándose, por ejemplo, de la distribución cuando ésta es unas de las causas más frecuentes de fracaso. A veces es una combinación de factores los que crean los problemas, ello me recuerda el ejemplo de una importante compañía europea de productos electrónicos de gran diseño. El producto tuvo un gran éxito inicial en la feria de Chicago que originó grandes pedidos a la compañía. Sin embargo, el alto índice de unidades defectuosas en el primer pedido hizo que tuvieran muchos retornos y las grandes distancias de este país hicieron que el servicio postventa fuera pobre y lento, lo que desanimó enormenente a los distribuidores de un producto que sigue vendiéndose con gran éxito en Europa y que hubiera podido también ser un gran éxito aquí.

En general debe tenerse en cuenta que el logro de distribuidores que tengan tanto la capacidad como las ganas de vender el nuevo producto, será uno de los objetivos más complejos de lograr y que la creación de una red de distribución propia es una de las tareas más difíciles y caras de conseguir. Puede ser incluso más complicado, encontrar una compañía de consultoría con la experiencia y capacidad necesaria para detectar con anterioridad los problemas potenciales y presentarlos claramente a la compañía extranjera.

> *“De hecho ésta es*
> *la primera regla:*
> *Proceder cuidadosamente.*
> *Segunda regla:*
> *Proceder paso por paso.”*

El estudio debería comprender también aspectos estratégicos tales como segmentación, posicionamiento y competencia. Aquí es donde aparece una de las principales características del mercado norteamericano: la compañía que quiera penetrar este mercado debe estar preparada para enfrentarse a una competencia durísima y procedente de todas partes del mundo. Adquieren aquí máxima importancia todos los instrumentos del marketing mix y, a menudo, una gran superioridad o ventaja comparativa en alguno de ellos no puede compensar errores o debilidades en cualquiera de los otros.

En ocasiones, la ausencia de competencia debería preocuparnos casi tanto como su propia presencia, puesto que ello podría indicar una falta de demanda del producto y una falta de hábito en el consumidor que haga difícil la aceptación del nuevo producto. Numerosísimos productos de todo el mundo que venden bien en su origen, difícilmente podrían tener salida aquí y menos sin el apoyo de una costosa campaña de marketing. Se puede tener, por ejemplo, la mejor cerveza de España o del mundo, pero el consumidor americano tiene tan asociada la imagen de cerveza de calidad a otros países que, incluso teniendo en verdad el mejor producto, sería dificultosa la introducción y logro de una significativa participación del mercado americano y, más aún, si no se apoya esa nueva marca con un enorme presupuesto.

El estudio de mercado debería de incluir todos los puntos anteriores y las conclusiones finales deberían responder seis preguntas básicas: ¿Hay un hueco de mercado para el producto? ¿De qué volumen? ¿Qué será necesario para lograrlo? ¿Es necesario algún tipo de inversión y en qué cantidad? En caso de efectuar la inversión requerida, ¿Cuál será el retorno de la inversión a medio y largo plazo? Si la respuesta a una o varias de las preguntas anteriores es no ¿Qué cambios habría que efectuar y qué coste para que el proyecto fuera realizable?

Llegado a este punto se deben tomar numerosas decisiones disyuntivas en términos de seguir o no seguir. Con una duda más que razonable sobre la conveniencia de vender en Estados Unidos y a pesar de la lógica amargura de tener que renunciar a un proyecto atractivo y por el que ya sentiamos cariño, es mucho mejor cancelar el proyecto en este punto antes que invertir fuertemente en un más que posible fracaso. En este caso particular, el costo del buen estudio de mercado que nos hayan elaborado será, sin duda, una de las mejores inversiones que su compañía ha realizado.

EL PLAN DE ACCION

Tomada la decisión de afrontar el mercado americano, es imprescindible preparar y plasmar, en un plan de acción, que incluya los apartados más importantes. Destacan entre ellos los "Cut Off Points," que son aquellos en los que una falta de avance significa (o implica) una semiautomática decisión de reducir costes y no malgastar dinero adicional.

Si bien es aconsejable que, una vez tomada la decisión de seguir adelante, no se dude en aportar los medios necesarios para conseguir los objetivos, es particularmente importante resaltar que, uno de los aspectos críticos en el proceso global, es decidir que medios deben emplearse y hasta que punto deben comprometerse recursos de la compañía.

Asi pués, el tercer principio es que, una vez tomada la decisión de llevar el

PAUL MAUBERT

(SIGUE DE LA PAGINA 59)

proyecto adelante, no se debe dudar en aportar los medios necesarios para conseguir los objetivos.

Las ganas de ahorrar, sin considerar lo que ello significa, pueden conducir a muchos mayores gastos, a un fracaso o a ambos. Un planteamiento común entre las compañías europeas en Estados Unidos es lo que yo llamaría la "falacia de la relación directa". Pensando por ejemplo que el mercado norteamericano es 5 veces mayor que el de su propio país, piensan que ganar un 5% del mercado norteamericano es como tener el 25% del mercado propio y en base a ello, deciden invertir la cantidad que creen sería necesaria en su mercado para obtener el 25% de participación. El mercado norteamericano requiere un esfuerzo muy superior al previsto en su paralelismo con el nacional. En ese caso suelen hacerse pequeñas correcciones para evitar replantearse la operación de nuevo y no es raro ver compañías que realizan sucesivos e insuficientes reajustes a la alza hasta agotar el presupuesto. Con visión retrospectiva llegan a darse cuenta que aportando todos los medios al principio, en base a un plan global y con el mismo dinero, habrían conseguido sus objetivos.

Otra parte de esta falacia es que una participación del 5% del mercado norteamericano no puede ser mantenida tan fácilmente en un mercado que tiene la fama de aplastar a las pequeñas compañías, en la medida en que se cubre el círculo de maduración del producto.

ESTABLECIMIENTO DE UNA PRESENCIA CORPORATIVA

El próximo e importante paso es contratar un equipo de dirección y el director general. De hecho es recomendable contratar al director general incluso en la fase anterior del proceso si es posible. En general, su pronta integración en el proceso facilitará la ejecución del mismo. Llámese director general, director ejecutivo, presidente o cualquier título similar, el representante de la compañía en Estados Unidos debe aportar el conocimiento del país y del sector así como una perspectiva de mercado que se plasme en un correcto planteamiento y en el ahorro de importantes sumas que, sin esa experiencia, se malgastarían.

Existe una constante lucha entre compañías y agencias que ofrecen sus servicios, apoyo y medios para el proyecto. La agencia de publicidad tenderá a proponer el gasto en publicidad de la mayor parte del presupuesto, los abogados enfatizarán la importancia de preparar un extenso documento que cubra todos los detalles legales, los contables realizarán la importancia de una sofisticada contabilidad que nos ofrezca toda clase de datos, etc. La persona que represente su compañía en Estados Unidos deberá aportar el análisis global del proyecto y después de analizar las propuestas, deberá asegurarse de que los medios se gastan de forma que se cubran los objetivos sin exagerar o menospreciar ningún aspecto.

El fichaje del resto del equipo ejecutivo es clave y debe ser motivo continuo de consideración, en la que siempre surgirán dudas entre la conveniencia de contratar profesionales españoles o americanos. Por supuesto, hay muchas alternativas a considerar entre los extremos que significan tener una dirección totalmente española o totalmente americana. Un planteamiento común de muchas compañías extranjeras es de tener el presidente del país de origen con un equipo comercial norteamericano. Dado que el presidente es el máximo responsable y conoce de antemano y en detalle la compañía matriz sus objetivos, funcionamiento y dirección, ello facilitará la comunicación con la dirección central. Por otro lado, los profesionales americanos conocen mejor este mercado, la forma de ser de sus clientes y sin duda, los americanos venden mejor a americanos. Aunque ello sea válido en general y que sea ciertamente importante para los ejecutivos de la filial norteamericana el poder dirigirse en español a los ejecutivos de la central, yo aconsejaría, en determinados casos, selecciones en contra de la doctrina general. Los candidatos deben elegirse en base a múltiples aspectos y con un enfoque amplio de su misión, debiéndose considerar aspectos tales como cualificación, experiencia, prestigio en el sector, dotes humanas, etc. No siempre el candidato que hable español o que pueda "caer mejor" es necesariamente el ideal para el puesto.

> *"La persona que represente su compañía en EE.UU. deberá aportar el análisis global del proyecto..."*

La contratación de personal debe ser progresiva en la medida en que el proyecto va avanzando en el período de prueba, fase introductoria y fase final de obtención de beneficios. Las dos primeras incluirán no pocas decisiones disyuntivas (seguir/no seguir) para la compañía. De nuevo, el principio de trabajar sin demasiada pomposidad debe ser observado. Es importante, asimismo, tener en cuenta la necesidad de establecer algún tipo de incentivo para el presidente de la compañía que le facilite la recomendación de cualquier medida en beneficio de la empresa por encima de su interés personal, incluso en el caso de proponer una retirada del mercado ante una eventual situación de drenaje constante de fondos sin perspectivas de éxito.

FASES DE PRUEBA E INTRODUCCION

Estas dos fases estarán dominadas por las constantes consideraciones concretas sobre el producto y el mercado, dándose dos tipos de errores que deben ser considerados llegado el momento de la elección.

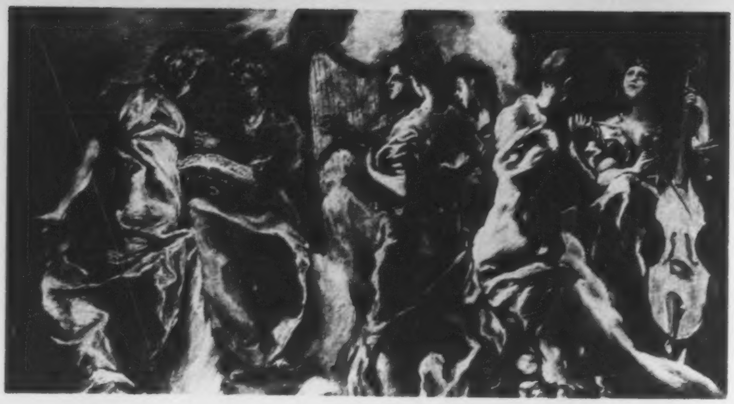
El primero, al seleccionar la zona donde realizar la prueba. Por ejemplo, si se trata de un mercado de pescado congelado la valoración de precio y calidad del mismo será muy distinta en una ciudad costera que en una ciudad muy al interior del país.

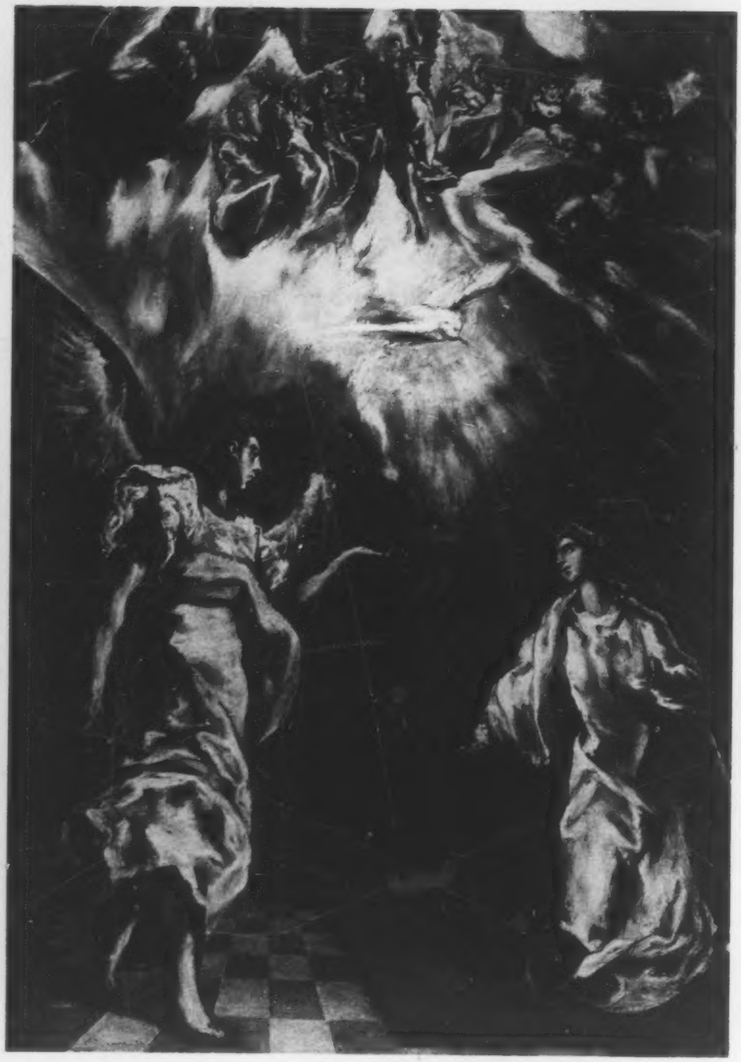
El segundo, al ignorar el mercado secundario que supone las ciudades de mediano tamaño en favor de las grandes zonas urbanas. Es habitual ver que las primeras ofrecen, respecto a las grandes ciudades, una gran eficiencia en términos de resultados obtenidos con relación a la cantidad gastada en publicidad y promoción, lo que es doblemente importante por cuanto permite la realización de la prueba que tendría un coste prohibitivo en una gran urbe.

FASE DE OBTENCION DE BENEFICIOS

El logro de esta fase final supone que el producto ha sido lanzado y distribuido con éxito en el mercado. Ope-

(CONTINUA EN LA PAGINA 62)





BANCO HISPANO AMERICANO GETS IT TOGETHER

These two paintings have an interesting history.

In fact, they are one.

El Greco's "The Annunciatiön" was cut in two in the 19th century.

The bottom part belongs to Banco Hispano Americano; the top part —"The Angels' Choir"— to the Athens National Museum.

We got the two sides together at an exhibition in Toledo, where El Greco painted it.

It was well worth the trouble, and symbolises the way we work.

Let us bring you together with Spain's largest diversified financial group.

We have 1,450 branches in Spain and in more than 20 countries. Cash flow grew 35 per cent in 1987.

If you want to do business with Spain, talk to us.

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Grupo
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EL MERCADO NORTEAMERICANO

La formación de sociedades en el Estado de Nueva York

"La formación de una sociedad privada es relativamente sencilla y barata en la mayoría de los Estados..."

La formación de una sociedad privada es relativamente sencilla y barata en la mayoría de los Estados de los Estados Unidos de Norteamérica. La formación puede completarse dentro de unas semanas o hasta dentro de unos días.

Los directores, accionistas y administradores de una sociedad norteamericana no necesitan ser ciudadanos o residentes norteamericanos; y los controles sobre la inversión extranjera en los Estados Unidos son mínimos. Tampoco existe, en general, ningún requisito de un capital mínimo.

Más abajo indicamos, en rasgos generales, el procedimiento para formar una sociedad en Nueva York. Aunque el procedimiento no es idéntico en todos los Estados, las diferencias no son grandes en general, y este esquema podría servir de modelo para otros Estados, incluyendo Delaware:

1. El incorporador o los incorporadores firman un Certificado de Incorporación. Este documento debe incluir ciertas menciones, tales como:

a. El nombre de la sociedad;
b. Los objetos de la misma;
c. La ubicación de la oficina de la sociedad en el Estado de Nueva York;
d. La cantidad de acciones autorizadas;
e. El nombramiento del Secretario de Estado del Estado de Nueva York como representante de la sociedad, al que se pueden notificar las demandas, y la dirección a la cual el Secretario de Estado deberá enviar una copia de cualquier demanda dirigida en contra de la sociedad y notificada al Secretario.

El incorporador o los incorporadores pueden ser miembros del estudio de abogados a cargo de la formación de la sociedad.

2. El Certificado de Incorporación se archiva con el Secretario de Estado de Nueva York, acompañándose el cheque por los derechos correspondientes (los cuales normalmente oscilan entre $100 y $200).

3. El incorporador o los incorporadores celebran una Reunión de Organización, principalmente para los efectos de aprobar los estatutos y elegir a los directores.

4. Se celebra la primera reunión de directores. La ley de Nueva York permite que las reuniones de directores se celebren sin que los directores se reúnan materialmente, si todos los miembros de la Junta de Directores consienten por escrito en una resolución que autorice las decisiones tomadas.

5. La primera reunión de directores típicamente trata las siguientes materias:

a. nombramiento de administradores;
b. aprobación del certificado de acciones;
c. aprobación del sello de la sociedad;
d. aprobación de resoluciones bancarias;
e. emisión de acciones.

6. El (los) certificado(s) de acciones se emite(n) en nombre del (de los) accionista(s), y su(s) nombre(s) se inscribe(n) en el registro de transferencia de acciones.

7. Se solicita el Servicio de Impuestos Internos un Número de Identificación de Empleador (número de identificación tributaria).

Lo dicho es un resumen muy esquemático de las disposiciones pertinentes. En circunstancias apropiadas, se pueden tratar varios otros asuntos en el momento de formarse la sociedad, tales como diferentes derechos a voto de los accionistas y directores; acuerdos de accionistas; restricciones sobre transferencias de acciones; y elección del beneficio tributario "Subchapter S" para la sociedad (pero este beneficio no es admisible si uno o más de los accionistas no son residentes en los Estados Unidos).

Después de formarse la sociedad, es normal que se celebren reuniones de directores y accionistas en forma regular, por lo menos una vez al año.

Cualquier bufete de prestigio puede encargarse de la formación de sociedades en cualquier Estado de los Estados Unidos de Norteamérica por un honorario fijo (alrededor de 1,000), lo cual no incluye los trabajos efectuados después de formarse la sociedad. ☐

Courtesy of Stebbings & Skydell, P.C.

PAUL MAUBERT

(SIGUE DE LA PAGINA 60)

rar una compañía subsidiaria es, básicamente, similar a gestionar una empresa en España que, como ustedes saben, incluye muchos factores que están fuera del objetivo de este artículo.

SINTESIS PARTE I

Hemos visto el proyecto a través de la fase inicial de análisis de una oportunidad de mercado a la fase final de establecimiento y obtención de beneficios. Esta primera parte la hemos dedicado a tratar, de forma teórica, temas tanto de planificación como de gerencia para afrontar una campaña de introducción en un nuevo mercado limitando los riesgos más determinantes de cada fase e incrementando la probabilidad de éxito de la operación.

Se ha planteado y analizado el posible conflicto entre los principios de avanzar cuidadosamente, paso por paso, al tiempo que agresivamente y con un compromiso sincero de aportar los medios necesarios. La parte segunda de este artículo que aparecerá en el proximo número de *The Business Link* examinará algunos de los aspectos prácticos de este proceso. En concreto hablaremos de la elección de las compañías de servicios tales como consultoría, legal, publicidad e investigación de mercados así como actuar en la contratación de personal. ☐

Special Offer from the Spain USA Chamber of Commerce

May 7
A day so ordinary, so normal, so typical we made a book about it.

May 7, 1987 was a perfectly ordinary day in the life of Spain.

There were no disasters of any sort that day. No political battles. And the stock exchange was perfectly quiet.

Yet something occurred that day that has never happened before in that country. And most certainly will never happen again.

It was the day all of Spain was captured on film.

25 of Spain's greatest photographers joined 75 of their counterparts from twelve countries around the world and received their assignment: go to every part of Spain and photograph the things that make Spain what it is today - the people, the attitudes and the landscapes that make Spain unique.

And so on May 7, the photographers found themselves shooting in modern day La Mancha. In the quiet reverence of a monastery in Galicia. High above Toledo with the King in his helicopter. In Ronda with the greatest of all bullfighters. On Ibiza with high fashion models. In *sevillana* bars, and staying up late to experience "la Movida", Madrid's youth culture.

Of the 120,000 photos taken, 220 of the greatest have now been published in a lavish, hard cover coffee table book, *A Day in the Life of Spain*. The Spanish language editions, *Un Día en la Vida de España*, is also available.

It's a book you will want to treasure. It's a book you'll give to friends, saying "You wanted to know what modern Spain is like. This is it."

A Day in the Life of
SPAIN

© 1987 Cristina García Rodero, *A Day in the Life of Spain*

The Spain-USA Chamber of Commerce is proud to have been involved with the making of *A Day in the Life of Spain*, and to support its release in the USA.

Un Día en la Vida de España made publishing history in Spain last November when it reached the best seller list just two weeks after its release.

Now, you can buy either the English or Spanish edition at any bookstore for $45.00, **or take advantage of our special offer and have your own copy for just $25.80 (or $23.30 each for two or more), postage included.**

For just $2.50 extra you can send a copy to a friend living outside USA/Canada.

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To order by phone, call (800) 638-3030 and give your Spain-USA Chamber of Commerce Code # S-20 to guarantee your special price of $25.80 each ($23.30 for two or more) including postage.

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Commercial Office of Spain Launches Comprehensive Jewelry Marketing Program

It is now easier than ever for U.S. retailers to contact and buy from Spanish jewelry manufacturers, thanks to a comprehensive marketing program being launched by the Commercial Office of Spain.

To demonstrate the beauty, diversity of style and fine quality of jewelry from Spain, there will be a series of full-page, full-color advertisements, each featuring the jewelry of a different manufacturer.

The ads will also feature an offer for a free, full-color Spanish jewelry catalog which includes a brief history of Spanish jewelry and a list of major Spanish manufacturers/exporters. Also included, is a simplified guide to importing jewelry from Spain.

"We have instituted this marketing program to familiarize the American retailer with our fine jewelry," says Mercedes Lamamie de Clairac, Fashion Coordinator for the Commercial Office of Spain. "There was also the need to satisfy the large number of requests for information on Spanish jewelry that we have been receiving from jewelers throughout the United States."

Spain is one of the leading exporters of fine jewelry to the United States. This is attributed to the beautiful styling, the fine quality and value of jewelry made in Spain.

Free Catalog of Jewlery from Spain

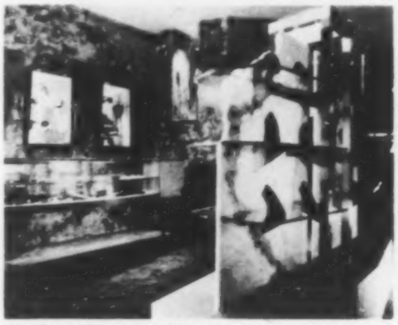
A combined product and information catalog is available FREE from the Commercial Office of Spain. This 20-page book contains a history of the development of Spanish jewelry throughout the ages, color pages of jewelry from a variety of Spanish manufacturers, and a list of major manufacturers/exporters including addresses, phone numbers, and the product lines they make. □

Martínez Valero, Spanish Fashion Footwear and Accessories Firm, Opens on Third Avenue

Joining the ranks of the international roster of shops lining Third Avenue in the 60's in Manhattan is a relative newcomer from Spain. Making its debut on one of the most fashionable shopping streets in New York is Martínez Valero, a showcase for totally coordinated head-to-toe fashion accessories.

Founded 25 years ago in Elche, Spain, the country's footwear capital, Martínez Valero has become a truly international fashion force selling their high-quality shoes all over the world. Now this vertically integrated resource is bringing fresh ideas to fashion footwear and accessories retailing with their magnificent new store, which will serve as a laboratory for testing new ideas.

According to Michael Connery and José María Mirnar, the co-owners of the company, "This store is a laboratory for the wide variety of products that we make. We want to demonstrate to our retail customers how goods should be presented within a total context. We will offer a complete accessories assortment and our store environment will help enhance the message through our unique display, merchandising and design.



Martínez Valero's striking interior was designed by the Arcus Design Group.

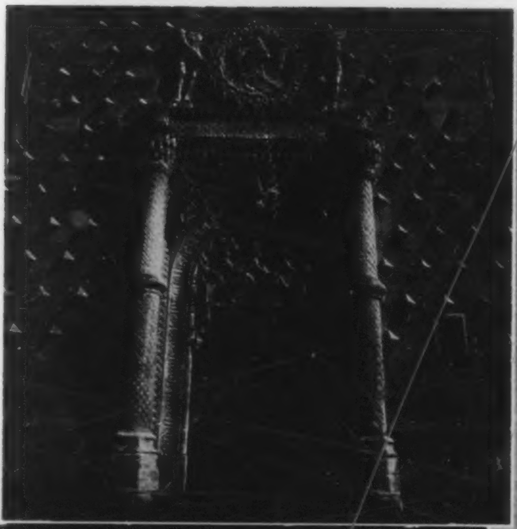
"Today's manufacturer must really get to know his or her customer. As a major force in the international footwear market, we will be able to effectively utilize the customer feedback from the Martínez Valero retailing operation and serve her even better as a result."

Located at 1029 Third Avenue on the corner of 61st Street, the international-style Martínez Valero store sets a dramatic stage. The storefront window entertains the eye with a giant triptych. It is one of several neoclassical references favored by the well-known interior design firm, Arcus Design Group, who conceived the store design.

Robert Jessup, vice president, describes the Martínez Valero style as "classic in emphasis with bold colors, exotic textures and ornamentation that always imparts an individual look." He adds that the company's vertically-controlled operation enables it to "turn on a dime to produce the latest in fashion quickly."

The Martínez Valero label is sold throughout the United States and Canada. The New York store, however, is the first retail unit for the company and plans are under way for a rollout of others in the tri-state area in the coming year. □

Over 2500 Castles, Cathedrals and Palaces to Lose Yourself In.



The Palace of the Infantado, Guadalajara.

The Church of La Sagrada Familia, Barcelona.

The Mosque of Córdoba.

The Castle of Coca, Segovia.

They're all in Spain. 9th century castles to swash and buckle in. 14th century palaces to be romantic in. 20th century churches like Gaudi's *La Sagrada Familia* in Barcelona. It's art nouveau at its most extraordinary.

And Spain is a country of so much more. A country of the immortal art of El Greco, Velázquez, Goya, Picasso, and Miró. A country of cuisine that is world class in its tastes and textures. A country of award-winning wine. And heart-winning people.

From castles to cathedrals. From fortresses to the fiery flamenco. Explore it all.

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Please send me more information about Spain.

Name ____________________
Address ____________________
City ____________ State ________ Zip ________
When are you planning to travel? ____________________

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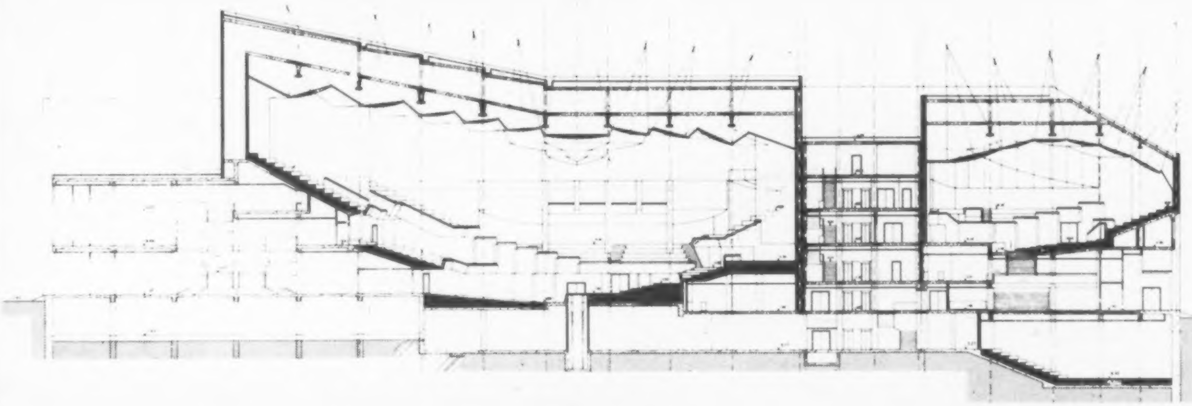
TRAVEL AND TOURISM



The Auditorio Nacional de Música, One of Europe's Largest and Finest Concert Halls, Opening in Madrid

By Pancho Shiell

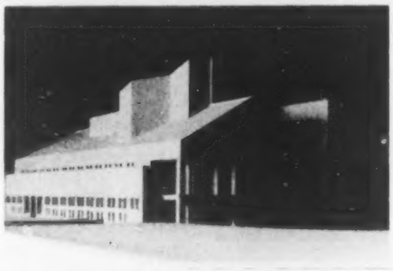
On October 21 the curtain goes up for the gala opening of Madrid's brand new concert hall, the *Auditorio Nacional de Música.* Architecturally and acoustically designed to be "a temple of symphonic music," it joins the echelon of Europe's finest and largest.

Recently completed after four years of construction, this is Madrid's first theater designed for and devoted exclusively to symphonic, choral and chamber music. It is the new home of the National Orchestra of Spain and the National Chorus of Spain, previously based at the Royal Theater.

The cost of the project, according to José Manuel Garrido, Director of the National Institute of Stage and Musical Arts (INAEM), was approximately $20 million.

The modern linear-design 82,000-square-foot building contains two separate theaters: the larger, with a seating capacity of 2,280 is for symphonic and choral (up to 140 voices) concerts; the other, seating 707, presents chamber music and soloists.

With a seating capacity just slightly larger than that of the Royal Theater, the main concert hall has almost double the interior volume (741,605 cubic feet), a high, sound-reflecting wood ceiling, and not one inch of sound-absorbing carpeting or curtains. Hence the acoustic quality is quite distinct from that of the opulent Royal Theater, which was originally an opera house although it later became a stage for both opera and symphonic concerts.



Above, a model of the Auditorio Nacional de Música; at the top of the page a projection of the Auditorio showing the large concert hall and, to the right, the chamber music hall.

The other propitious milestone this month in the musical life of Madrid is the temporary closing of the Royal Theater to begin its thorough renovation. Inaugurated in 1850 by opera-loving Queen Isabel II, it will open once again as one of Europe's premiere opera houses in 1992, the year in which Madrid has been designated "Cultural Capital of Europe."

The unique layout of the Auditorio Nacional, by architect José María García de Paredes, brings the audience close to the orchestra (without resorting to the bullring concept). In the large concert hall, about 20% of the audience is distributed on each side and behind the orchestra, and the main section is tiered.

The separate chamber music hall is semicircular in shape, providing intimate proximity between performers and audience.

At the suggestion of Jesús López Cobos, director of the National Orchestra and Chorus of Spain, the orchestra stage consists of movable platforms adjusted by hydraulic lifts in a specially-designed system. This allows the director to arrange and group the sections of his orchestra at the touch of a button. It also facilitates changing orchestras within the same program.

A fundamental goal of architect García de Paredes was to achieve optimal acoustics. He prefers the term "musicality" which, he explains, "is very complex," involving a series of scientific formulae and calculations with relation to the configuration and structure of the theater and the direct diffusion and reverberation of the musical sound waves. He is confident that with today's advanced knowledge in the field of acoustics, the continuous testing throughout the construction, and "the splendid collaborators in this project," the resulting quality will approach perfection. "A concert hall is in itself a musical instrument," he says, "only much larger, and it must be treated with the same care."

He also points out that "musicality is very different depending on the type of works being played; the sounds of a baroque piece are not the same as those of a symphony by Bruckner or Mahler. We have resolved this problem by building the two separate halls. They are absolutely independent of each other; concerts can be held simultaneously with no sound interference whatsoever."

Another essential prerequisite is the total absence of outside noise (adjacent are a subway and bus station and underground parking). García de Paredes explains that total soundproofing is achieved by the architectural concept of "a box within a box"—the concert hall is contained within the main structure. And the special air conditioning system is noiseless. "Silence is guaranteed," he states.

Describing the architectural style, he points out that the fundamental aspect is that the building "belongs here . . . The Auditorio could have been built today, 10 years ago, or 20 years from now. But the materials used are very identifiable with the architecture of Madrid—for example, brick, granite from the mountains, tile roofs, limestone, elements seen in the Prado Museum or buildings of the late 19th and early 20th centuries."

In addition to 23 rehearsal halls, several private suites, dressing rooms, etc., the Auditorio will be equipped with permanent state-of-the-art television recording and broadcasting facilities. Alongside is a large tree-lined square. The complex is located on the tree-lined street Principe de Vergara at Plaza de Cataluña, about three miles north of the Retiro Park.

Opening Night: October 21st

Very significant is the selection for the inaugural evening's performance on October 21: Manuel de Falla's "Atlántida," a major cantata based on an epic poem linking the legend of the lost continent of Atlantis to the inspiration of Christopher Columbus' voyage to an unknown new world. Featuring soloists Montserrat Caballé and Teresa Berganza, it will be performed by the National Orchestra of Spain, the National Chorus of Spain, Coral Carmina, Orfeón Donostiarra, and Escolanía de Nuestra Señora del Recuerdo. Jesús López Cobos will direct this and the following works in the three-night inauguration program: October 22, Mozart's "Coronation Mass" and Carl Orff's "Carmina Burana"; October 23, the Verdi "Requiem". ☐

American Airlines inaugura nueva linea Madrid-Dallas/Fort Worth, Tejas

American Airlines ha inaugurado en Madrid la primera oficina encargada de la reserva y venta de billetes de la nueva ruta diaria Madrid-Dallas/Fort Worth, Tejas (EE.UU.), sin escalas, la cual entró en servicio el 27 de mayo y era cubierta por aviones Boeing 767-200 ER, con capacidad para 177 pasajeros.

El centro de conexión de Dallas/Fort Worth representa una opción más a las rutas habituales de entrada a Estados Unidos, a la vez que proporciona mayores posibilidades para las rutas hacia México, el Caribe y el Oeste de los Estados Unidos.

"Nos complace inaugurar la primera oficina de reservas y ventas de pasajes en España, concretamente, en Madrid. Con ella queremos reflejar el compromiso que American Airlines ha contraido con el mercado español", señaló David A. Banmiller, vicepresidente de la División Internacional de American Airlines.

Banmiller agregó que, "la nueva oficina cuenta con los últimos avances tecnológicos de este sector. Ahora nuestros esfuerzos se encaminarán directamente hacia la próxima inauguración de la ruta Madrid-Dallas/Fort Worth que brinda a toda España nuevas e importantes posibilidades con los Estados Unidos".

La oficina de Madrid está conectada con el sistema informatizado de reservas y ventas de pasajes, SABRE, disponiendo, además, del sistema automatizado de tarjetas de embarque y emisión de billetes.

SABRE, es el principal sistema informatizado de reservas privado que existe en el mundo. El centro de proceso de American Airlines está en Tulsa, Oklahoma, desde donde se proporciona información al propio sistema de reservas de la compañía, así como a la red de automatización de las agencias de viaje más extensa del sector.

El vuelo 67, cubierto por un Boeing 767-200 ER, parte de Madrid a las 13:00 horas y tiene prevista su llegada a Dallas/Fort Worth, a las 17:00 (hora local en Tejas), lo que posibilita la conexión con una docena de ciudades de Estados Unidos y México. El vuelo 66, de retorno a Madrid, parte de Dallas/Fort Worth a las 17:50 (hora local) y llega a Madrid a las 10:40 horas, del día siguiente.

En Dallas/Fort Worth, American Airlines tiene un servicio diario que totaliza 340 vuelos y 93 destinos. Entre los muchos puntos de conexiones que pueden utilizarse con el vuelo de Madrid están, Nueva Orleans, Houston, Phoenix, Denver, Los Angeles, San Francisco, San Diego, Seattle, Las Vegas y México D.F.

La aeronave en servicio de American Airlines está dividida en tres cómodas cabinas, con 14 asientos adaptados para un mejor descanso en primera clase, 30 en clase de negocios y 133 en clase turista. Cuenta, además, con grandes bodegas de proa y ofrece toda una serie de comodidades propias para los vuelos intercontinentales.

American Airlines en España

La oficina de Madrid, equipada con terminales de reservas informatizadas, está dirigida por Rafael Ruiz bajo el cargo de Director Comercial. El Director de Servicios de Aeropuerto en Barajas es Jorge Gil, quién estará a cargo de un equipo de 29 personas y Anne Marie Comtois es la Directora de Reservas.

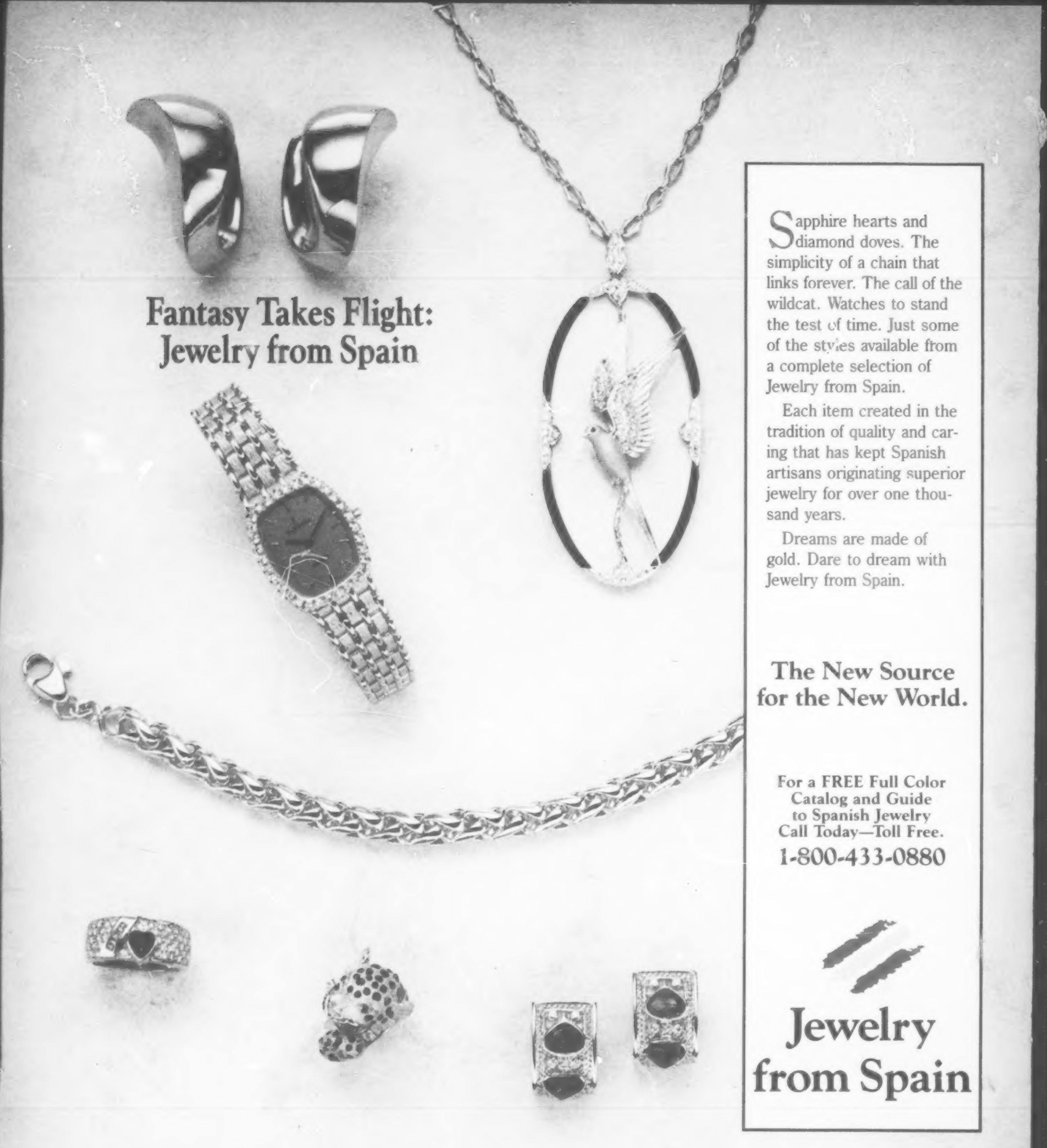
La nueva oficina tiene un total de 21 empleados y ocupa una superficie de 371 metros cuadrados en la planta quinta del edificio Iberia Mart, calle Pedro Teixeira, 8, en Madrid. El número de teléfono de información y reservas es: 597.20.68. ☐

$36-million Expansion for Seville Airport

To accommodate the 8.6 million passengers projected to arrive by air for Expo-92, Seville's airport will undergo a $36-million expansion, to be completed by the end of 1990. The airport served over one million passengers in 1987, 40% over 1986.

Transportation Systems for Expo-92

Fifteen proposals for the construction of transportation systems within Expo-92 are being considered, including trains, monorails, aerial tramways and boats to transport some 20,000 people hourly. Construction costs are estimated at $44 million. ☐



Fantasy Takes Flight: Jewelry from Spain

Sapphire hearts and diamond doves. The simplicity of a chain that links forever. The call of the wildcat. Watches to stand the test of time. Just some of the styles available from a complete selection of Jewelry from Spain.

Each item created in the tradition of quality and caring that has kept Spanish artisans originating superior jewelry for over one thousand years.

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Jewelry from Spain

Barcelona is more than one Fair. It's 44.

44 fairs and specialized shows events, year-round, constitute not only the ideal setting where businessmen from around the world can open and close business. They are the fundamental driving force of the country's economic life. Barcelona is a fair all year long.

The 38 shows in 1989

Food Industry

TECNOALIMENTARIA-89 International Food Fair Industry.	March

Graphic Arts

GRAPHISPAG-89 International Graphic Arts Show.	February

Gift Articles

EXPOHOGAR-89 International Gift Fair.	September - October

Automobile

International Motor Show.	May
Second Hand Vehicle Market.	November

Construction

CONSTRUMAT-89 International Building Fair.	April

Sports and Fitness

SPORT-89 Sports Exhibition.	March
SPORT-89 Sports and Camping Exhibition.	September
EXPOSALUD-89 Showcase for Health and Physical Fitness.	October

Equipment

EQUIPAL-89 International Show and Display Equipment Exhibition.	January
HOSTELCO-89 Restaurant, Hotel and Community Catering International Exhibition.	October
TECNOCLINIC-89 International Exhibition of Techniques and Equipment for Hospitals.	October

Computers

INFORMAT-89 Computer and Data Processing Show.	March

Jewellery

Barnajoya's Fancy Jewellery.	February
BARNAJOYA-89 Jewellery, Clock, Fancy Jewellery and Machinery Fair.	Setember - October

Fashion

PIELESPAÑA-89 International Exhibition of Fashion in Suede, Nappa and Double Face.	January
GAUDÍ HOMBRE Ready-Made Menswear Autumn/Winter 89/90.	January
BCN HOMBRE Ready-Made Menswear Autumn/Winter 89/90.	January
GAUDÍ MUJER Ready-Made Ladies Wear Autumn/Winter 89/90.	February
17th Fabrics Display -International- Spring/Summer 90.	April
GAUDÍ HOMBRE Ready-Made Menswear Spring/Summer 90.	July - August
BCN HOMBRE Ready-Made Menswear Spring/Summer 90.	July - August
GAUDÍ MUJER Ready-Made Ladies Wear Spring/Summer 90.	September
MODHOGAR-89 The Spanish Home Textiles Fashion Show.	September
18th Fabrics Display - International- Autumn/Winter.	October

Nautical

28th International Boat Show	December

Image and Sound

SONIMAG-89 International Image, Sound and Electronics Show.	September

Leisure

FER-89 Recreation Fair of Spain.	November
27th Children and Youth Festival.	December - January 90

Tourism

Caravaning International Show.	January
RODATUR-89 International Tourism Fair.	April

Other Sectors

13th Antiquities Exhibition of Barcelona.	February
HISPACK-89 International Exhibition of Packaging and Bottling.	March
EXPOFRYC-89 Technical Applications of Industrial Refrigeration and Air Conditioning.	March
57th Barcelona International Trade Fair.	June
CREDEM Exhibition for the Creation and Development of Enterprises.	June
EXPOMINER-89 Market Exhibition of Minerals and Fossils.	November
EXPOAVIGA-89 International Exhibition of Poultry and Livestock Techniques.	November

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CONTRAPUNTO & BARCELONA

TRADE FAIRS

4ª IBERJOYA
SALON DE LA JOYERIA PLATERIA Y RELOJERIA

IBERJOYA, Spain's Largest Jewelry Fair

IBERJOYA, Spain's largest jewelry trade fair, is organized by IFEMA in collaboration with the Madrid Guild of Jewelers and Silversmiths. For jewelry professionals only, it has become an important meeting place for those who work in this sector.

In keeping with Spain's position as one of the world's top jewelry exporters, IBERJOYA is a distinguished setting for presenting the most select and varied collections of jewelry, precious metalwork and watchmaking in the country.

For non-Spanish firms, IBERJOYA is an ideal opportunity to introduce their designs to the Spanish market, which is the fastest-growing in the EEC.

The next edition of this highly selective fair will be held from January 26 to 30, 1989. ☐

ARCO, A World Class Avant-Garde Art Fair

ARCO, Spain's International Contemporary Art Fair organized by IFEMA in Madrid, has in the past few years grown into one of the world's major avant-garde art fairs. Its international reputation among gallerists, critics, collectors and the art-loving public is shown by the 166 galleries from 16 countries which participated in ARCO '88, and the fair's 119,000 visitors.

The fair's parallel events, such as the International Art Forum and Video Seminar, attract international experts as well as a young, enthusiastic audience. Inter-fair activities include contemporary art appreciation courses and a scholarship program for young artists. The fair also publishes a quarterly magazine, *Arco Amigos,* which is edited in Spanish and English.

The next edition of ARCO will be held February 9 to 14, 1989. ☐

FITUR, One of the World's Three Top Tourism Fairs

January 25-29, 1989

FITUR, International Tourism Trade Fair organized by IFEMA, the Madrid Trade Fair Organization, has become, with its 8 editions, one of the three top tourism trade fairs in the world. FITUR 87 attracted 3,125 exhibitors, 24,812 tourism professionals, and 1,400 journalists from more than 125 countries. Also, 217,350 members of the general public attended this exhibition. The sectors included Travel Agencies and Tour Operators; Transportation Companies; Hotels, Restaurants, Apartments, etc.; Tourism Organizations and Associations; Communications Media; and Miscellaneous. Among the activities were approximately 400 technical and professional sessions and seminars, as well as press conferences.

In this annual event, offer and demand in the tourism sector meet on a great international scale. ☐

Silver Jubilee for Valencia International Furniture Fair

One of the most important trade events organized by the F.M.I. of Valencia is the International Furniture Fair, which will be celebrating its 25th anniversary this year from September 20th through 25th. The Valencia event, considered to be the second most important Fair of its kind and one of the largest fairs held in Spain, will be the meeting place par excellence for the furniture sector.

25
AÑOS CRECIENDO

In order to commemorate its Silver Jubilee this year, the Fair will once again be increasing in size and importance over last year. In spite of the fact that the last few editions covered all available space at the Valencia Trade Fair, which, with 240,000 square meters, is the largest in Spain, this year's show has slightly more space to offer due to a timely renovation undertaken in one of the older halls.

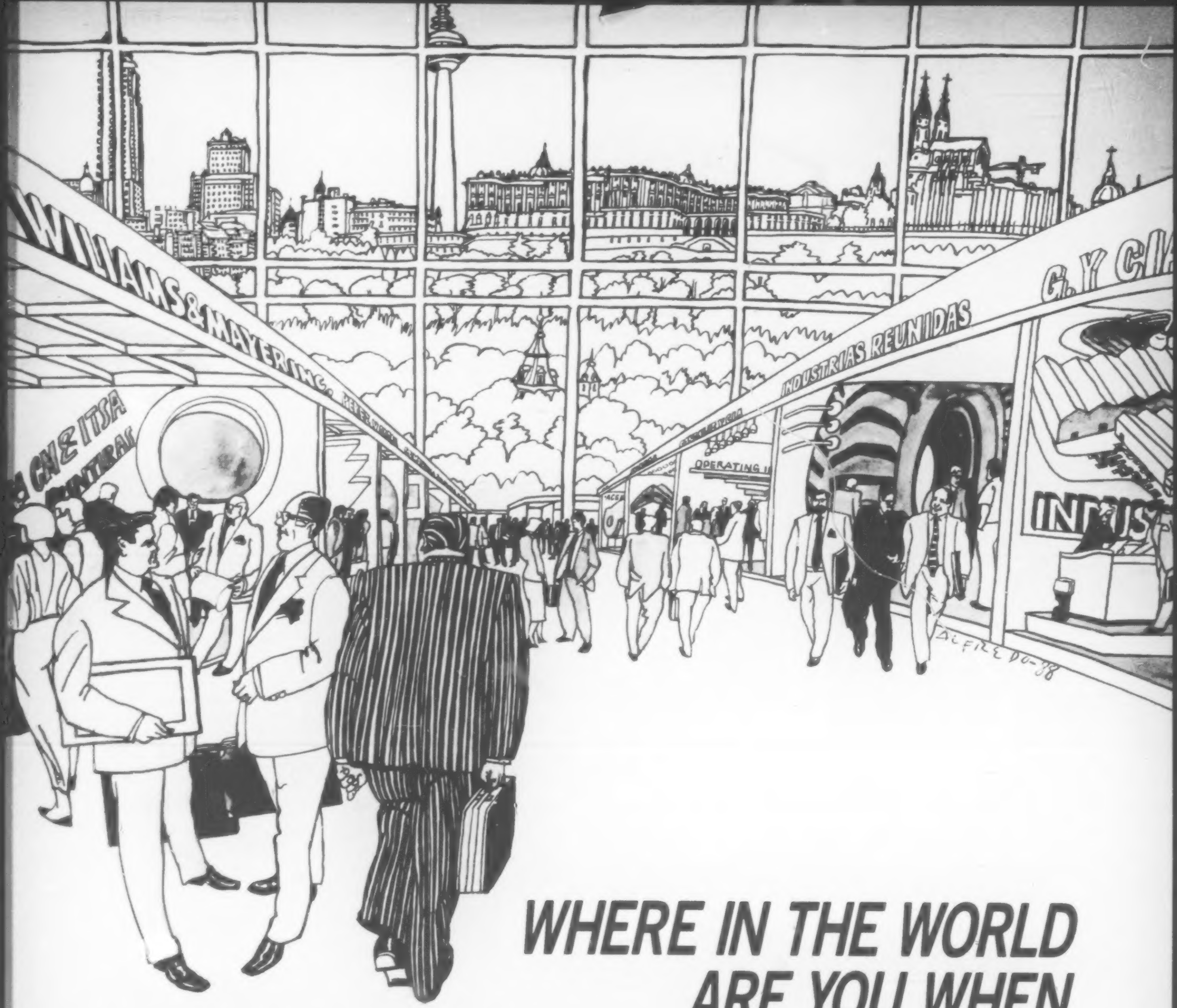
About 1,000 exhibitors will be presenting their latest novelties, creations and designs for the home ornament exhibition area of 80,000 square meters. Sites were taken up quickly this year, with the result that some 200 firms who wanted to participate have unfortunately been left on the waiting list.

Valencia's International Furniture Fair also has a high level of participation from abroad, in either individual or group exhibits from France and Italy on the international level, and national groups will be present from the Autonomous Regions. Individual firms at the Fair are from all parts of Spain and numerous EC countries.

The Fair will be divided into different sub-sectors for greater trade visitor convenience, with sections for classical, modem, rustic, upholstered, kit and garden furniture, and lighting and complementary articles.

This will all be on show at one of Europe's best trade fair halls, which is also offering a wider spectrum of novelties for this year: total air-condition-

(CONTINUED ON PAGE 73)



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There's a very good reason why more than half a million professionals from 120 countries visited IFEMA-MADRID's trade fairs last year. If you weren't there, decide now to see for yourself why IFEMA's specialized trade fairs, with over 13,000 exhibitors, are so special.

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And IFEMA is about to bring all these opportunities just a little bit closer. Our new fairgrounds will be exactly where you'd expect them to be alongside Barajas, Madrid's international airport.

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Telefónica, partiendo de su anterior departamento de I+D con más de 20 años de experiencia, ha creado una nueva empresa: Telefónica, Investigación y Desarrollo (TID).

Esta empresa, nacida para dedicarse a la Investigación y Desarrollo en Tecnologías de la Información, ha iniciado un proceso de selección de:

- Titulados superiores y medios con experiencia en i+D para Telecomunicación y campos afines.
- Titulados recientes con expediente académico brillante y decidida vocación por I+D en Tecnologías de la Información.
- Personal técnico auxiliar (FP) en las ramas de Electrónica, Informática, Telecomunicación o Química.

Para todos los puestos ofrecemos un ambiente de trabajo único en el país, entrar a formar parte de un selecto grupo de profesionales con el objetivo común de crear tecnología de nivel mundial y retribuciones acordes a la valía.

Si está interesado, envíe su C.V. por cualquiera de estos tres procedimientos:

- Telefónica, Investigación y Desarrollo. Apartado de Correos 50.967. 28014 Madrid. España.
- Buzón electrónico, utilizando la red pública de Conmutación de Paquetes, IBERPAC, a la dirección PSI%2145213022027::SELECCION.
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Spain in the Business Week "Global 1,000"

	GLOBAL 1000 RANK	MARKET VALUE U.S. $ MIL.	PRICE PER SHARE U.S. $	% CHANGE FROM 1987		PRICE/ BOOK VALUE RATIO	P/E RATIO	YIELD %	SALES U.S. $ MIL.	PROFITS U.S. $ MIL.	ASSETS U.S. $ MIL.	RETURN ON EQUITY %
				(U.S. $)	(LOCAL)							
COUNTRY COMPOSITE		**48459**	**9**	**49**	**33**	**2.6**	**27**	**3.3**	**19271**	**2672**	**231075**	**14.0**
1. Telefónica Nacional de España	191	6456	2	18	6	0.7	12	6.2	4748	467	17104	5.9
2. Banco de Santander	199	6210	12	41	27	3.7	24	1.6	NA	234	25704	15.1
3. Banco Central	278	4825	10	62	45	2.9	25	2.9	NA	195	30706	11.7
5. Banco de Vizcaya	362	3932	14	46	31	4.0	12	3.0	NA	316	29048	32.5
4. Banco de Bilbao	361	3932	14	92	72	3.3	13	3.0	NA	308	25994	25.5
6. Banco Español de Crédito	422	3504	11	82	63	2.8	NA	2.2	NA	0	25924	NA
7. Endesa	429	3450	2	33	19	1.5	11	6.0	2105	304	9381	13.1
8. Banco Hispano Americano	519	2890	7	83	64	2.9	94	2.4	NA	31	26152	3.1
9. Iberduero	602	2498	1	43	28	0.5	13	6.4	1789	168	10908	3.8
10. Hidroeléctrica Española	837	1708	1	48	32	0.4	15	8.6	1901	111	10684	2.4
11. Banco Popular Español	857	1639	15	25	12	2.2	8	3.2	NA	208	14629	28.3
12. Tabacalera	864	1616	10	−18	−27	6.0	32	1.1	4142	51	1036	18.8
13. Torras Hostench	866	1609	22	NA	NA	2.5	14	2.0	267	70	386	17.2
14. Fasa Renault	933	1454	6	NA	NA	1.8	8	1.9	3136	171	2382	20.7
15. Asland	962	1380	10	78	60	3.7	60	1.4	284	18	307	6.1
16. Nissan Motor Ibérica	973	1356	2	NA	NA	3.4	66	0.0	900	20	729	5.2

From *Business Week*, July 18, 1988

VALENCIA FAIR

(CONTINUED FROM PAGE 70)

ing throughout the Fair, a modernized North Pavilion with the addition of some extra square meters, an updated security control system, and extended parking areas. Valencia willingly undertakes the challenge of creating the best infrastructure for the convenience of exhibitors and visitors alike.

This wealth of important trade offers on exhibit at the International Furniture Fair obviously seeks a suitable response from the demand side of the business, and Valencia, in this respect, as in others, provides the very best. The international prestige of the event and the extensive advertising campaign contributed towards a turnout of over 30,000 trade visitors last year, with 2,500 foreign visitors from a total of 53 different countries worldwide.

The sheer weight of the demand gave rise to business transactions totalling some 40 billion pesetas during the five-day event. Since then, contacts and agreements which were made at the Show are estimated to have produced another 4 billion pesetas worth of business. This is seen as one of the best trade instruments that the furniture sector has available to date.

To mark its 25th anniversary, the Fair is planning to carry out a far-reaching advertising campaign together with promotional activities in both Spanish and foreign cities. From a total budget of 540 million pesetas, advertising will be taking up 100 million this year, thereby doubling the investment made last year in promotion.

In addition to this, and with the support of the ICEX (Spanish Institute for Foreign Trade), trade missions from France, England, Germany, Japan, and the USA are being invited to attend at Valencia.

The Fair itself will also be inviting chain-store buyers from EC countries, Hong Kong and Singapore.

For the year's special Jubilee occasion, 100 journalists (directors and editors) from specialized furniture publications are being invited so that they can get a first-hand view of Valencia's megaevent for the furniture sector from September 20th to the 25th. ☐

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EVENTS 1992

EXPO'92
SEVILLA

BARCELONA'92

Seville: "A New Era in the History of International Exhibitions"

In 1992 when the Seville Universal Exposition opens its doors to visitors from the five continents, it will usher in a new era in the history of international exhibitions.

Spain, poised at the gateway to the twenty-first century, has accepted the challenge of finding a valid formula for this type of international encounter that will allow it to match its objectives to the demands of our times.

Ever since their origin in 1851, Universal Expositions have been conceived as showcases for the latest scientific discoveries and scenarios for their international dissemination, but today the old formulae have largely been invalidated by the development of the mass media, particularly television, which allow the rapid diffusion of ideas and discoveries to all corners of the planet.

The 1992 Exposition has chosen a path that will allow the tradition of the great Universal Expositions to be revitalized. To achieve this, it will assign a leading role to the mass media and convert the site into a focus of interest through the organization of events of far-reaching appeal that will attract television cameras from all over the world. *Expo '92* will also be the first Universal Exposition to reach the five continents via satellite.

As King Juan Carlos stated in the official *Expo '92* proclamation, the Seville Exposition aims to be "a creative exhibition reflecting the collective, universal force of innovation, able to bring to life the five centuries that have passed, and reflecting the undeniable fact that a mere eight years separate us from the second millennium of our Era".

Expo '92 also aims to be a focal point for reflection . . . reflection on the five centuries that have passed since the Europeans discovered the existence of other worlds; reflection centering also on the present; on challenges and solutions suggested by mankind; on the unknowns that the future presents. *Expo '92* intends to show visitors that technology can be applied humanely in order to contribute to the creation of a better world.

Such a perspective forms an appropriate backdrop for *Expo '92*, that, with the motto "The Age of Discovery", will revolve around two main axes: the past and the future. Thus, the Pavilion of Discoveries, supported by theme pavilions and museums, will explore the five centuries that have elapsed since our first contact with the continent of America. On show will be a summary of the great milestones of this venture, paying tribute to man's creative genius.

The area dealing with the future will exhibit the latest advances and offer a foretaste of what might be expected from progress in science and technology in the next few years. By this time high technology like robotics, computer science, artificial intelligence and eco-energetics will have expanded at an ever increasing pace and this will make it possible to reflect on how these fields can make man's existence happier, more harmonious and more peaceful. ☐

Head of Barcelona Organizing Committee is Guest Speaker at International Sport Summit

Josep Miquel Abad, Chief Executive of the organizing committee for the 1992 Summer Olympic in Barcelona (COOB '92) will be the guest speaker at the International Sport Summit, which will hold its 10th Anniversary meeting, November 28-29, 1988 at the New York Hilton Hotel. The International Sport Summit is an established network for new business contacts in the sport business world and the longest running conference and exhibition on the business of sport events and sport facilities.

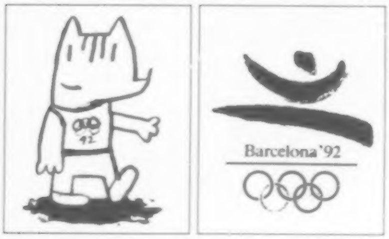
The 10th International Sport Summit is a top sport business market place which attracts senior management worldwide from a variety of sport event and sport facility-related businesses. It includes top level decision-makers representing sport sponsors, sport television, sport marketing, sport finance, sport promotion, sport public relations, sport operations and sport media, and representing sport facility finance, planning, design, construction operations and marketing.

Joining Mr. Abad will be prestigious executives including Jean-Pierre Courcol, Director, Tour de France; Robert J. Wussler, Sr. Exec. V.P., Turner Broadcasting System Inc.; Russell Granik, Exec. V.P., National Basketball Association; and Steve Ryan, President, National Hockey League Services, Inc.

Speakers from the U.S. and international sport marketing and sport facility community will include: Joanne Black, Senior V.P., MasterCard; Barry Frank, Senior V.P., International Management Group; Gordon Craig, President, TSN Television (Canada);

Jerry Solomon, V.P. of Media, Anheuser Busch; Robert Coenh, Sr. V.P. and Director of Forecasting, McCann-Erickson; Robert Watson, Director of Corporate Advertising, AT&T; Alfred Schrieber, Exec. V.P., Burson Marsteller; Harry Usher, Former Exec. V.P., L.A. Olympics; William Wardell, Sr. V.P. Calgary 88 Olympic Winter Games; Rick Welts, V.P. of Communications for the National Basketball Association; and Donald Dixon, President, Sports Division, Howard Marlboro Group. ☐

Barcelona Chooses Logotype and Symbol for 1992 Olympics



The official logotype and the mascot symbol for the **Barcelona 1992 Olympic Games** have been selected by the Organizing Committee after a major competition of graphic presentations. The avant-garde logo, designed by a 39-year-old Valencia-born artist inspired by Miró, is an abstraction suggesting a leaping human figure. Bright red and yellow predominate, with a touch of soothing blue. Both the logo and the mascot figure (the latter a cartoon of a small dog) have already been registered for 42 categories of promotional and souvenir items, and will soon be seen around the world. ☐

New Chamber Director is Marketing Consultant to COOB '92, Barcelona Olympic Committee

Donald R. Dixon II, who was elected to the Chamber's Board at the annual meeting in June, is President of Howard Marlboro Sports, Events and Licensing, which for more than a year has acted as marketing consultant to COOB '92, the Barcelona Olympic Organizing Committee.

For the past four years the firm has been the exclusive marketing advisor to the U.S. Olympic Committee and has spearheaded the management of several blue chip corporations in their Olympic marketing strategies. These companies include Chrysler-Jeep/Eagle Motors, General Foods' Maxwell House Coffee, Blue Cross and Blue Shield Association, CPC Best Foods, and Buick. They have also devised and implemented Olympic marketing tie-ins with Adidas, Panasonic, Kodak and Canon, and have been retained as exclusive marketing consultant to the U.S. Olympic Committee for the 1988 quadrennium.

As a contributing entity within the Saatchi & Saatchi worldwide network of companies, Mr. Dixon's organization offers a vast range of resources and experience. It serves as Saatchi's promotional and merchandising arm within the United States and abroad, and has access to the world's largest advertising clientele base. Its primary function is that of building images and sales, as well as achieving the various other business objectives of its clients through an association with a sport or special event.

The newly formed licensing division of HMG handles such properties as the movies "Back to the Future II" and "Her Alibi." Under Donald Dixon's leadership, his group has served as event and lifestyle marketing consultant to multi-national companies such as Gannett Communications (USA TODAY), Chevrolet, General Foods, Hardee's, Gillette, Beatrice and Little League Baseball.

Since opening the Sports and Special Events Division with two employees in 1985, Dixon has managed his company into a network of five international branches. The group recently expanded its foreign capabilities with offices in Madrid and London. HMG London will assist in the marketing and management of properties such as the Mozart 200 Festival in Salzburg.

The responsibilities of the Madrid office include sponsorship, solicitation and marketing for some of Spain's foremost musical and arts properties. Among the activities managed by HMG Madrid are: Festival de Santander, Antología de la Zarzuela, Festival de Granada, Teatro Espronceda, Festival Internacional de Cine de San Sebastián, and José Carreras' recital at Castillo de la Perelada.

Mr. Dixon's group is very excited about its current and upcoming involvement in Spain, culminating with the Olympic Games in 1992. They are looking forward to a fruitful relationship with the members of the Spain-USA Chamber of Commerce in helping to enhance the image of Spain, as well as promoting mutually beneficial financial relationships between corporate and government entities within the two countries.

Howard Marlboro, in conjunction with the Chamber, will assist in compiling a series of articles in tribute to the 1992 Olympic Games in Barcelona, which will be features in the upcoming special edition of *The Business Link* in November. ☐

COOB '92 In-House Counsel Studying Licensing in New York

Alvaro Bueno i Bartrina, in-house counsel to the Barcelona Organizing Committee for the 1992 Olympic Games (COOB '92) has been in New York this summer for a period of training with Windels, Marx, Davies & Ives on legal aspects of international licensing agreements. ☐

NEWS IN BRIEF

Julio Iglesias Joins Forces with Myrurgia

(L to R) Esteban Monegal, Chairman of Myrurgia; Julio Iglesias; Jordi Roura, Executive Vice President, Myrurgia; Vicente Garcia Delgado, U.S. Counsel to Myrurgia Group.

Julio Iglesias, the internationally acclaimed superstar and recipient of a 1988 Grammy Award, has joined efforts with the Myrurgia frangrances group of Barcelona toward the development and creation of various "Julio Iglesias" lines of fragrances for men and women. A glamorous first line of Julio Iglesias perfumes will be launched simultaneously around the world in the fall of 1989. Our congratulations go to Mr. Iglesias and Myrurgia on this happy occasion. ☐

Penelope Casas to Escort NYU "Flavors of Spain" Tour

The fourth in a series of **"Flavors of Spain"** tours sponsored by the New York University School of Continuing Education, the latest edition is all new. It will focus on one of the great gastronomic and artistic regions of Spain: Cataluña. Departing from New York on September 24, the 2-week trip will be escorted by Penelope Casas, author of *The Foods and Wines of Spain* and *Tapas: The Little Dishes of Spain,* and recipient of the Spanish National Prize of Gastronomy.

The itinerary, which includes many special entertainment and social events, begins in Barcelona with three nights at the delightful Hotel Majestic, incomparable Catalan cuisine at fine restaurants, and sightseeing galore. Highlights are the architectural masterworks of Antoni Gaudí, as well as the Catalan wineries, the Roman city of Tarragona, the ancient cities of Gerona and Tudela, rich in Jewish heritage, the Costa Brava and the home town and museum of Salvador Dalí, a "Romanesque Route" through the Pyrenees, and much more. Accommodations include historic Paradors such as the Fernando de Aragón, in the charming medieval town of Sos del Rey Católico, and the magnificent Castillo de Sigüenza. Each day is made especially memorable by dining at an elegant restaurant or a fine country inn, and all along the way, of course, countless varieties of *tapas* will be enjoyed with gusto—and with explanations by a connoisseur. The tour ends in Madrid, with the last two nights at the splendid Palace Hotel.

For full information contact: International Programs, New York University School of Continuing Education, 331 Shimkin Hall, New York, NY 10003; Telephone: (212) 998-7133. ☐

Plan Exhibition of Spanish Costumes for New York in 1991

On invitation from the Ministry of Culture in Spain, the Fashion Institute of Technology is planning an exhibition **Regional and Historic Costume from Spain** for presentation in New York in fall 1991. The exhibition will examine the vernacular, ecclesiastical, and aristocratic clothing of Spain from the 17th century to the early twentieth century.

The exhibition will draw upon the great costume collections of Spain hitherto unseen in North America. The Museo Nacional del Pueblo Español in Madrid, the Museo del Pueblo Español and Museu Textil i d'Indumentaria in Barcelona, and other public collections in Spain will participate. The regional diversity of Spanish costume will be represented in loans from around the country. In many instances, these garments will be shown for the first time in forty years or more. Rare garments are also being borrowed from private collectors and institutions in the United States. In addition to the heretofore unknown garments, the exhibition will chronicle Spanish dress in important portraits and paintings as well as photographs and other documentation. Loans of works of art are anticipated from collections throughout Europe and the United States. The book publication is planned in complement to the exhibition, which is scheduled to open in the Galleries of the Fashion Institute of Technology in October 1991 and to continue through January 1992.

For further information, please contact Harold Koda (212-760-7859) or Richard Martin (212-760-7970); FAX (212-760-7978). ☐

Bottled Briefs

From Wines of Spain

Freixenet was chosen over Dom Perignon in a blind tasting in May by Robin Leach of "Lifestyles of the Rich and Famous" on "The Morning Show," a daily morning program hosted by Regis Philbin and Kathie Lee Gifford on WABC-TV, Channel 7, the New York flagship ABC-TV network station.

Codorniú USA hosted a successful Catalonian lunch at the American Institute of Wine & Food Conference, held at the Parker Meridien in New York City in April. The six-course meal, which was highlighted by authentic Catalan tapas and complemented by **Masia Bach** still wine and **Codorniú** sparkling wine, was relished by all.

Worldwide **Rioja** shipments for 1987 were up 19.27 percent, with shipments to the United States up 8.3 percent. Shipments to Puerto Rico were up 11.14 percent.

Domecq will introduce **Carlos I Imperial** Brandy to the U.S. market this fall. More than a premium brandy, Carlos I Imperial Brandy comes in a distinctive package and retails at $75.00 per bottle. Contact Alan Weber at Domecq for further information. Tel. (914) 834-4127. ☐

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Bed Linen and Thread in Cotton and Polyster: Spanish firm seeks importers: MORA, S.A., Dos de Mayo 235, Apartado de Correos, P.O. Box 27, 46870 Onteniente Valencia, Tl: 96,248.05.50, Tlx: 64356 MRON-E

Video Games: Spanish firm seeks manufacturers or distributors: COMELTRO, S.A., Comercial Electronica C/Caballero, 75-77, 08014 Barcelona, Tl: 93.322.49.13

Hospital and Beauty Salon Accessories: Spanish manufacturers seeks importers: UTSUKUSY CORP., Guipuzcoa, Apartado de Correos 27 222, Barcelona

Gift Articles, Cosmetics Accessories: Spanish manufacturer seeks importers/distributors: JOSELO, S.A., Bajada Caleruco, 21-A, 39012 Santander, Tl: 942.33.97.33, Tlx: 35766 JOS-L, Fax: 34.42.33.50.19

Orthopedic/Therapeutic Equipment and Socks: Spanish firm seeks importers: GLORA-SERMAFO, S.A., Caritat, s/n, La Garriga, Barcelona, Tl: 34.3.871.56.11, Tlx: 94009 FMSR-E

Oxides: Spanish firm seeks importers: FERROPINTURAS, Paseo de la Estacion, 23 Septimo, Jaen, Tlx: 78682 COCY-E

Plastic Kitchen Utensils: Spanish firm seeks importers: STAR, S.L., Malaga, 11, 28003 Madrid, Tl: 441.66.45, Tlx: 43961 ROVAL-E, Fax: 442.73.57

Ladies Clothing: Spanish firm seeks importers: AZBE-B ZUBIA, S.A., Apartado 13, 20550 Arechavalita, Guiupuzcoa, Tl: 790799, Tlx: 38852 AZBE-E

Leather Bags: Spanish firm seeks importers: ARTIUCLOS DE PIEL Y BOTAS DE VINO: Calle B-Parcela 5, No. 3, Apartado 5072, 02080 Albacete, Tlf: 967.21.05.59

Giftware and Lamps: Spanish firm seeks importers: EXCLUSIVAS DE LA ROSA, C/Ignacio Iglesias, 136, Bajo, 08030 Barcelona

Batteries: Spanish firm seeks importers: LUDO PILAS, Guzman el Bueno, 74, Apartado 14681, 28015 Madrid, Tl: 449.53.00, Tlx: 42553 TUPL-E

Furniture for Infants and Children: Spanish firm seeks importers: HAPPY BABY, C/Sal, 26-Bajo, 03750 Pedreguer, Alicante, Tl: 96.576.00.84

Lamps: Spanish firm seeks importers/distributors: M.D.C., S.A., P. Font del Ferro, 17403 Sant Hilari Sacalm, Girona, Tlf: 972.86.87.25, Tlx: 57.105 COCIG-E, Fax: 972.86.87.50

Sanitary Taps, Bathroom Accessories, Lamps, Kitchen Utensils, Metal Furniture, Giftware, Stainless Steel Sinks, Electrical Appliances, Sheets of Aluminum, Hinges, Steel and Aluminum, and Stainless Steel Plates: Spanish firm seeks manufacturers: INDUSTRIAS AUTOMAR, S.A., Napals, 113, 08013 Barcelona, Tl: 34.3.871.56.11, Fax: 34.3.871.40.23, Tlx: 94009 FNSR-E

Silver and Alpaca: Manufacturer in Spain seeks importer/distributor: ALBERTY JOYEROS, S.A., Camino Puente Virrey, 22, 50088 Zaragoza, Tl: 976.41.05.00

Furniture in Peropex: Spanish firm seeks importers: ARTE Y ARTESANIA, S.A., Guindos 5, 28029 Madrid, Tl: 215.11.81, Tlx: 27307

Gift Articles and Decoration: Spanish firm seeks importers: ARACOM, Ronda Carlos III, 23, entlo A, Apartado 277, 08302 Mataro, Barcelona, Tl: 34.3.798.62.73, Tlx: 94455 ARAC-E, Fax: 34.3.798.70.78

Bakery Machinery: Spanish firm seeks importers: DISTRIBIDORA MAQUINARIA AUXILIAR INDUSTRIA PANADERA, Encarnacion, 134, 08025 Barcelona, Tl: 214.02.60

Machinery for the Making of Tissue Paper: Spanish firm seeks importers: INDUSTRIAL PLASTIGRAFICA, S.A., Poligono Cogullada, Jaime Ferran, 36, Apartado 490, 50014 Zaragoza, Tl: 29.04.16, Tlx: 58681 IPLA-E

Childrens Clothing: Spanish manufacturer seeks importers: SULFY, Avda. Carlos Gomis, 8, 46740 Carcaixent, Valencia, Tl: 243.01.03, Tlx: 61815 J.B.P.C.E

Luggage: Manufacturer in Spain seeks importers: MARROQUINERIA ALICANTE, S.A.L., Partida de Canastel, Nave so/i, Apartado de Correos No. 35, San Vicente del Raspery, Alicante, Tl: 66.17.62

Granite: Spanish firm seeks importers/representatives: PORTESPAN, S.L., C/Buen Suceso, 27, 28008 Madrid, Tlx: 4478 POEX-E

Furniture: Spanish firm seeks importers: J. VILA PARTET, S.L., Carretera Villavechia, 29, 17403 Sant Hilari Sacalm, Girona, Tl: 972.86.83.00

Brokerage Firm: BROKERS TRADING ASOCIADOS, S.A., C/Juan 31, 6oA, C.C. "Gran Hotel" 30201 Cartagena

Spanish firm seeks manufacturers in industry interested in distributing their product in Spain: iprom, s.l., Apartado No. 1237, C/Benidorm, 22, 43205 Reus, Tarragona, Tl: 31.06.84

Agents: J. RODOREDO, TRADING AGENT, Petrixall, (Botiga) 08002 Barcelona, Tl: 302.33.87, Fax: 318.49.92

Fishing and Recreational Boats: Spanish firm seeks importers: IMPORTACION SUMINISTROS Y MANTENIMENTO, C/Dos de Mayo, 45,lo, la, 08840 Viladescans, Barcelona, Tl: 658.99.61, 659.00.63, Fax: 218.79.46

Air Conditioning: Spanish firm seeks manufacturers/representatives, SEIJAM, S.A., Alcalde Sainz de Baronda, 28, 28009 Madrid, Tl: 274.64.07

Saffron and Herbs: Spanish firm seeks importers: PRESIDER, Apartado 19.315, 28016 Madrid, Tl: 202.54.57, Tlx: 40208 ELAIL-E

Machinery Orientated Towards Olives and Citrus Fruits: Spanish firm seeks importers: CLESER, Paseo Talleres, 36, Madrid-21, Tl: 797.01.14, Tlx: 43462 SNAS-E

Sports Equipment: Spanish firm seeks exporters: ERHARDT MADRID, Fortuny 17, 28010 Madrid, Tl: 419.92.00, Tlx: 22712, 27669, 42069, 27574, Fax: 410.25.90

Fig Paste: Spanish firm seeks importers: JOSE HARCIA GOMEZ DE ARTECHE, Santa Agueda, 2, 29003 Malaga

Electric heaters: Spanish firm seeks American importers of electric heaters: BIURTU, S.A., Poligono Eciago, s/n Hernain, Guipuzcoa, Tlf: 943.55.50.00/943.55.50.04

Synthetic Stones: Spanish firm seeks American exporters: FRANCISCO FERNANDEZ GARCIA, Conde de Robledo, 4-40, 14008 Cordoba, Tlf: 47.56.42/47.01.61, Telex: 76664 FFGE/E

Camping equipment: Spanish company seeks American importers: COMERCIAL IMPORMA, S.A., Rector Ubach, 57 entlo. 2, 08021 Barcelona, Tlf: 93.20.13.2286, Tlx: 50811, Fax: 93.41.85.171

Leather shoes and clothing; sheep skin: Spanish firm seeks American importers. ANDRES MACHADO, S.L. Avda. del Pais Valencia, 49-51, 03201 Elche, Alicante, Tlf: 96.543.07.96/543.08.28/543.08.10/543.08.37, Tlx: 66289 NIKO-E, Fax: 430865

Furniture: Spanish firm seeking American importers. MUEBLES BENICARLO, S.L., Carretera Benicarlo, San Mateo, s/n, 12580 Benicarló, Castellòn, Tlf: 964.17.14.50/47.14.54, Tlx: 65462

Institutional: Spanish firm is seeking to contact American Institutional Distributors, mainly to hotel chains: LIDASA, Attn. Mr. Piero Brigneti, Via Augusta, 48,60,4a, 08006 Barcelona, Tlf: 93.218.80.57/218.86.26, Tlx: 99646 LDAE

Swimming pools, water purifiers: Spanish firm is seeking American importers, BASE, Attn: Dept. Exportación, Paris 132-134 1C, 08036 Barcelona. Tlf: 322.71.50.

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Artículos de Regalo: Compañiá Americana desea ponerse en contacto con importadores: MULTI-CULTURAL SPECIALTIES, INC., 359 Walden Street, Cambridge Massachusetts 02140, Tl: (617) 354-6269

Productos de Plástico: Empresa Americana desea contactara fabricantes: GERDAU RATTAN CORP., 82 Wall Street, New York, New York 10005, Tl: (212) 709-9647, Fax: (212) 425-1973, Tlx: 422937

Lámparas: Compañiá americana desea contactar a fabricantes/exportadores: SHEP BROWN ASS., 307 West 1st Street, South Boston, Massachusetts 02127

Candados, Cerraduras: Compañiá americana desea contactar fabricantes/exportadores: TRANS GLOBAL IMPORT-EXPORT, 403 Plaza Drive, Woodbridge, New Jersey 07095

Objetos de Arte, Alfombras, Tela de Tapizar: Compañiá americana desea ponerse en contacto con exportadores/fabricantes: PHILIP ENGEL, INC., 910 Railroad Avenue, Woodmere Avenue, Woodmere, Long Island, New York 11598, Tl: (516) 295-0087

Muebles de Acero, Chapas de Acero: Cía. americana desea contactar exportadores: SISA INTERNATIONAL INC., 63 North Village Avenue, Rockville Centre, New York 11570, Tl: (516) 678-1796, Tlx: 205589 INDU-UR

Maquinaria para Aceite de Oliva: Compañiá americana cana desea contacta fabricantes/exportadores: DIANE K. KAMDAN, 145 West 55th Street, #6B, New York, New York 10019, Tl: (212) 246-6887

Chimeneas: Compañiá americana desea contactar fabricantes: AIR-FLOW TECHNOLOGY INC., 21 East Main Street, Huntington, New York, New York 11743, Tl: (516) 385-8398

Zapatos, Cinturones y Bolsos de Piel: Compañiá americana desea contactar fabricantes: SAFARI ENTERPRISES, 12 Bedford Terrace, Irvington, New Jersey 07111

Ropa de Cama: Compañiá americana desea contact a fabricantes: WHITING MANUFACTURING INC., 206 5th Avenue, New York, New York 10010, Tl: (212) 689-4300

Herramienta: Compañiá americana desea contactar fabricantes: KELVIN ELECTRONICS, 7 Fairchild Avenue, Plainview, New York 11803, Tl: (516) 349-7260, Fax: (516) 349-7830

Granito: Compañiá americana desea ponerse en contacto con fabricantes o exportadores: IRVING R. BOODY & CO., INC., 1 World Trade Center, Suite 5371, New York, New York 10048-0202, Tl: (212) 432-5353, Tlx: 420083, Fax: (212) 432-2495

Gambas Congeladas: Compañiá americana desea contactar exportadores: INTEROCEAN CHEMICAL AND MINERALS CORP., 10 East 40th Street, Suite 3310, New York, New York 10016, Tlx: 824111 ICM, 224781 ICM

Pulseras de Oro: Compañiá americana desea contactar a fabricantes: H.O.~~B JE~~WELRY CO., 2 West 47th Street, New York, New York 10036, Tl: (212) 573-8740

Hebillas y Botones: Compañiá americana desea contactar fabricantes: WELLESLEY TRIM & DESIGN LTD., 239 West 39th Street, New York, New York 10018, Tl: (212) 302-9044

Juguetes: Compañiá americana desea contactar a fabricantes: MARLON CREATIONS INC., 35-01 36th Avenue, Long Island City, New York 11101, Tl: (718) 361-2088, Tlx: 423337

Marmol y Granito: Compañiá americana desea contactar fabricantes/exportadores: INTREPID STONE, 1848 Industrial Boulevard, P.O. Box 1298, Harvey, Los Angeles, California 70059, Tl: (504) 348-2861, Fax: (504) 340-7018, Tlx: 460 236

Aceite de Almendras: Compañiá americana desea contactar a fabricantes: ARISTA INDUSTRIES INC., 1082 Post Road, Darien, Connecticut 06820, Tl: (203) 655-0881, Tlx: 996493, Fax: (203) 656-0328

Confección de Mujer: Compañiá americana desea contactar a fabricantes: BBDO NEW YORK, 1285 Avenue of the Americas, 7th Floor, New York, New York 10019

Marmol: Compañiá americana desea contactar a fabricantes: INNOVATIVE MARBLE AND TILE INC., 470 Smith Street, Farmingdale, New York 11735, Tl: (516) 752-0318, Fax: (718) 848-8800

Castanas: Compañiá americana desea contactar a fabricantes: MEREX CORP., 919 West Street, P.O. Box 503, Pelham, New York 10803, Tl: (914) 738-0202, Fax: (914) 738-4411

Encajes: Compañiá americana desea contactar fabricantes: DECORATIVE MODES LTD., 100-02 Rockaway Boulevard, Ozone Park, New York 11417, Tl: (718) 848-8800

Muebles, articulos de cerámica: Compañia americana desea ponerse en contacto con compañias españolas que esten interesadas en exportar muebles y articulos de cerámica: BRITISH IMPORTS LTD., 410 Broadway, Barnegat Light, New Jersey 08006

Industria naval: Compañia americana desea ponerse en contacto con fabricantes, distribuidores, y comerciantes españoles que estén en la industria naval: TANDEM ENTERPRISES, 27 Teele Drive, P.O. Box 433, Coram, Long Island, New York 11727, Tlf: (516) 736-2533, Tlx: 221213

Joyeria, piedras sin montar: Compañia americana quiere ponerse en contacto con fabricantes españoles de joyeria y piedras sin montar: ARMACH TRADING CO., Attn: Mr. Curtis H. Bowman, 2027 Bent Pine Court, Jacksonville, FL 32216

Ordenadores: Empresa americana está interesada en hacer contactos con fabricantes españoles de componentes de ordenadores: NICTRIX, CORP., Attn.: Export Department, Leonia 80 Technical Center, 2 Christie Heights Street, Leonia, New Jersey 07605, Tlf: (201) 947-2220, Tlx. 312280 WU, Fax. (201) 947-8086

Fundiciones Moldeadas: Compañia americana está interesada en ponerse en contacto con fabricantes españoles de fundiciones moldeadas: CUSTOM CASTINGS INTERNATIONAL, 5887 Glenridge Drive, Suite 105, Atlanta, GA 30328

Máquinas de churros: Compañia americana quiere contactar a fabricantes de máquinas de churros: JAIME REYNAFARYE, 205 Contee Ct., Joppa, MD, 21085, Tlf: (301) 679-0334

Marcos para fotografias: Compañia americana quiere ponerse en contacto con empresas españolas de marcos para fotografias: AMRON INC., 76 Belverdere Street, Suite E, P.O. Box 9338, San Rafael, CA 94901, Tlf: (415) 457-4855

Tarjetas postales: Compañia americana quiere contactar con fabricantes españoles de tarjetas postales A.B. CORIO—USN—(RET), Edgemere Mobile Home Park, 151 Hartford Pike, Shrewesbury, Mass. 01545

Ropa de niños: Interesada en articulos de vestir para niños: Miss DELIA SPITZER CROMWELL, 125 Broad Street, New York, N.Y. 10004

Papelerias; productos alimenticios: Empresa americana esta interesada en ponerse en contacto con papelerias y fabricantes españoles de productos alimenticios DIVERSIFIED INTERNATIONAL, 1515 North Federal Highway, Suite 302, Boca Raton, FL 33432, Tlf: (305) 392-4550, Tlx: 592417, Fax: (305) 392-9901

Compañia americana quiere ponerse en contacto con fabricantes españoles de **carboncillo, programas informáticos "software",** y **fabricantes de postales o tarjetas de felicitación**: FOTO-WEAR INC., Suite 5, 77 Milltown Road, East Brunswick, New Jersey 08816. Tlf: (201) 257-6549, Fax: (201) 257-9238

Compañia americana desea ponerse en contacto con compañias españolas que fabriquen **muro construido de piedras encajadas sin mezcla cohesiva (Drywall):** ALPINE INTERNATIONAL, Attn: Thomas J. Niedermeyer, 522 S.W., 5th Avenue, Suite 1210, Portland Oregon 97204

Mantas de lana: Compañia americana quiere ponerse en contacto con empresas españolas que fabrican mantas de lana: CURVON CORP., Attn: Mr. Blake Banta, 34 Apple Street, Tinto Falls, New Jersey 07724

Muñecas: Interesada en importar muñecas españolas: MISS JUANITA SHOTT, 140 South Harbine, Dayton, OH 45403

Muebles: Compañia americana desea ponerse en contacto con fabricantes y exportadores españoles de muebles: ELKINS, Attn: Mr. Richard Eisenberg, 200 Lexington Avenue, New York, NY 10016, Tlf: (212) 686-9292

España y la prioridad de las relaciones económicas internacionales

por Emilio González López

Las primeras relaciones internacionales, en distinto grado de progreso de la civilización fueron, ya en la lejana Prehistoria, de claro carácter económico seguidas por las políticas y las militares las cuales, en general, venían a apoyar esas relaciones económicas.

Las primeras relaciones económicas importantes de los pueblos de Europa se registraron en la Edad de los Metales, en la cual los pueblos de superior cultura y civilización, del extremo oriental del Mediterráneo, encabezados por Fenicia y Grecia, rivalizaron por controlar los mercados en el Occidente de Europa, particularmente España, y sus materias primas singularmente el cobre, (tan abundante en la Península Ibérica) y el estaño. La rivalidad de Fenicia y Grecia fue heredada por la colonia fenicia de Cartago y por Roma, heredera de la cultura griega.

Idéntico sentido de primacía de lo económico sobre lo puramente político y militar, subordinando éstos al primero, de nuevo aparece en épocas más recientes con el surgir de Venecia, la gran potencia económica del este de Italia, que llegó a ser una de las primeras potencias navales y militares de su tiempo, en el paso de la Alta a la Baja Edad Media.

El propio descubrimiento de América por España, acaudillada por Cristóbal Colón tuvo, en un principio, un sentido económico: La búsqueda de los grandes mercados de las especias en el Lejano Oriente y con ellas, otras ricas mercancías precisadas en Europa. Fue entonces y sobre éste primitivo propósito de su descubridor, que la Reina Católica lo aprovechó para la evangelización de esos territorios y la expansión del poderío de la nueva monarquía española y de su lengua.

El enfoque político y militar de las relaciones internacionales se acentuó en España con la Casa de Austria, pues, durante los dos siglos de su dominio, los principales esfuerzos de España se dirigieron a Europa y como consecuencia a América, defendiendo la dinastía de los Austrias y también a luchar por la fé católica contra la ascendente Reforma protestante y, en estas dos empresas, gastó todos sus recursos, entre ellos los procedentes de sus dominios americanos, arruinando su economía, descuidando su Hacienda, viendo desaparecer su industria, con una inflación y un desempleo rampantes y con generaciones de jóvenes cuya única salida era ingresar en el ejército que combatía en todas las partes del mundo.

La política de la Casa de Austria fue heredada, en gran parte, por los Borbones, en el siglo XVIII, con la diferencia que, si antes se defendía una dinastía austriaca, ahora se defendía una francesa, marchando a la zaga de nuestros vecinos. Esta política de prioridad de los intereses puramente políticos y militares sobre los económicos se puso de manifiesto a final del siglo XVII, en plena Ilustración en España en las relaciones con los Estados Unidos, cuando se iniciaba, en Inglaterra la Revolución Industrial de Europa y se tenía puesta la atención en el desarrollo de la economía. España, en lugar de buscar un mayor comercio con Estados Unidos, vecinos territoriales, se planteó mas problemas políticos que comerciales.

Esta prioridad de lo político sobre lo económico en las relaciones con los Estados Unidos, se puso en evidencia con motivo de la llegada de John Adams a los puertos del Ferrol y La Coruña, en un barco de guerra francés, que sufría una avería, a principios de Diciembre 1779. Tanto en El Ferrol como en La Coruña fue recibido por las autoridades militares y navales y con ellas por las judiciales, sin que le visitara comerciante alguno, a pesar de que Adams iba a Europa a negociar tratados de comercio con todos los países europeos. Sólo en Bilbao escribió un largo informe en parte comercial sobre España, dirigido al Congreso Continental, siendo recibido por don Diego Gardoqui, quien, asociado a una compañía francesa representaba sus interes comerciales y también los políticos norteamericanos en España.

Rectificar esta clasificación de prioridades en las relaciones internacionales, colocando las económicas en primer lugar, es una tarea que le corresponde profesionalmente a las autoridades diplomáticas y consulares españolas y con ellas a las Cámaras de Comercio españolas en los Estados Unidos así como a la comunidad española residente en todo este país y concentrada principalmente en la zona de Nueva York. ☐

EMILIO GONZÁLEZ-LÓPEZ, es profesor en City University of New York (CUNY), así como profesor invitado en New York University y Columbia University. Graduado en Leyes, Filosofía y Ciencias Sociales por las Universidades de Madrid y Munich, su dilatada biografía incluye puestos como el de congresista, Decano de la Universidad de La Laguna (Islas Canarias), Consul General en Suiza y Gobernador del Banco Industrial de Crédito durante la II República. Prolífico escritor y eminente profesor, ha publicado interesantes libros así como numerosos artículos para las más prestigiosas publicaciones del mundo.

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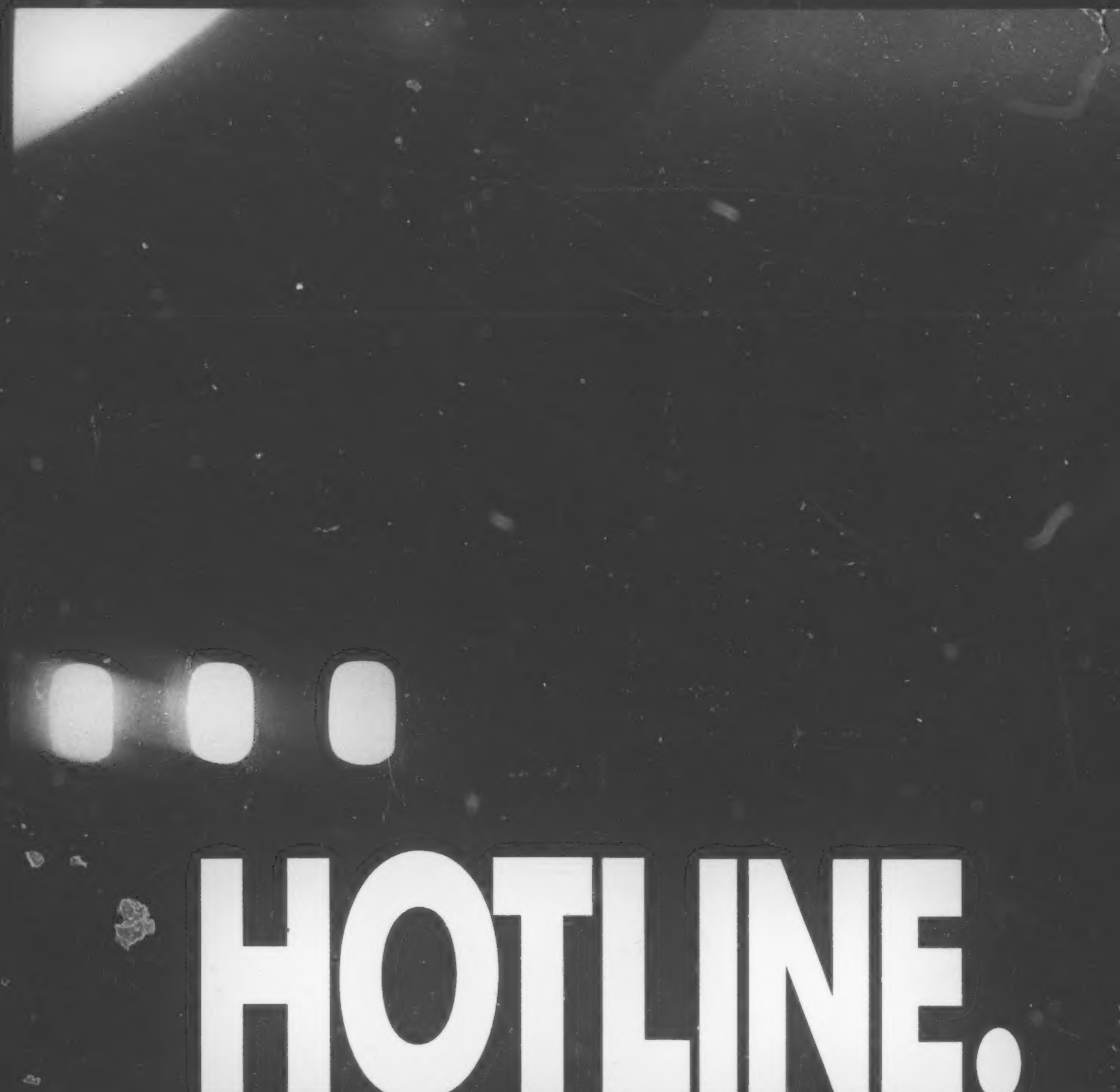

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